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REPORT OF THE WARTIME PRICES AND TRADE BOARD  
Canada. Wartime Prices and Trade Board. [1943]

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Canada. Wartime Prices and  
Trade Board  
Report ...

[2nd] (April-Dec.1943)











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Canada Wartime Prices and Trade Board

(DOMINION OF CANADA)

2nd.  
REPORT

of the

WARTIME PRICES  
AND  
TRADE BOARD

1943

April 1, 1943

to

December 31, 1943



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OTTAWA  
EDMOND CLOUTIER  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1944



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(Continued inside back cover)



REPORT  
OF THE  
WARTIME PRICES AND TRADE BOARD  
APRIL 1, 1943 TO DECEMBER 31, 1943

*To His Excellency Major-General the Right Honourable the Earl of Athlone, K.G., P.C., G.C.B., G.C.M.G., G.C.V.O., D.S.O., A.D.C., Governor General and Commander-in-Chief of the Dominion of Canada.*

MAY IT PLEASE YOUR EXCELLENCY:

The undersigned has the honour to forward to Your Excellency the report of the Chairman of the Wartime Prices and Trade Board on the activities of the Board for the nine months ending December 31, 1943. This is the second report of the Board, which was established on September 3, 1939. At my request it covers a nine-month period so as to be available to Parliament early in the 1944 Session.

All of which is respectfully submitted.

J. L. ILSLEY,

*Minister of Finance.*

OTTAWA, February 19, 1944.

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To the Honourable J. L. ILSLEY,  
Minister of Finance,  
Ottawa, Canada.

SIR,—In accordance with your request of December 6, 1943, I have the honour to submit a report of the activities of the Wartime Prices and Trade Board from April 1, 1943, to December 31, 1943.

I have the honour to be, Sir,

Your obedient servant,

D. GORDON,

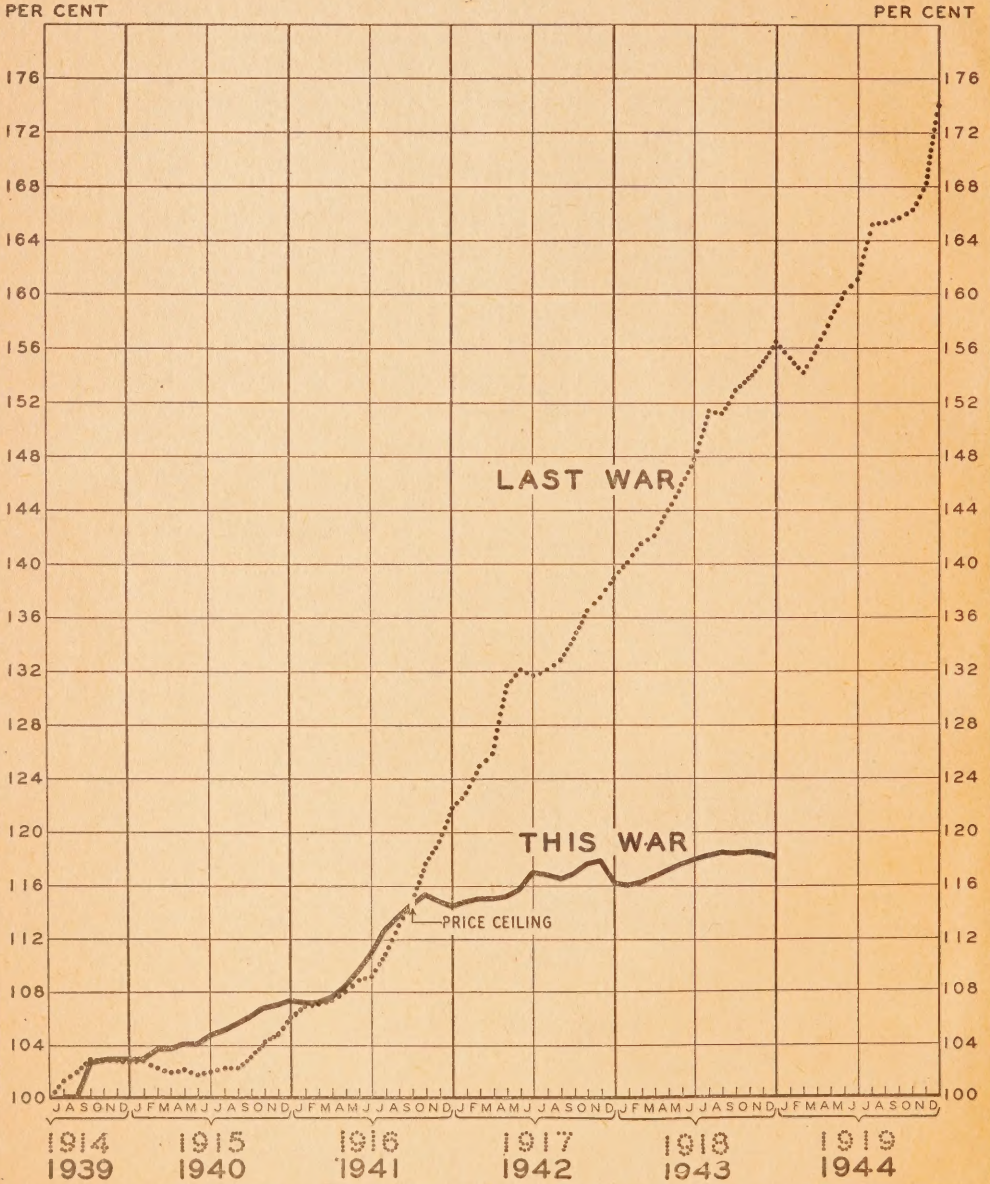
*Chairman.*

OTTAWA, February 14, 1944.



# CANADIAN COST OF LIVING IN TWO WARS

LAST PRE-WAR MONTH = 100





## I. GENERAL REVIEW

The nine months from April 1, 1943, to December 31, 1943, have seen changing conditions of price and supply. The pressure on the price ceiling from increasing production costs has been eased in a few directions but it has seriously increased in other and, as yet, more important directions. Shortages of supply have also shown signs of diminishing in certain fields but in others have again increased, demanding new measures to ensure that essential goods reach the consumer. The duties and responsibilities of the Wartime Prices and Trade Board, however, remain the same; they are to preserve stable prices to the consumer and to obtain adequate supplies and fair distribution of essential civilian goods.

The Wartime Prices and Trade Board derives its authority over the prices, production and distribution of civilian goods and services from P.C. 8528 ("The Wartime Prices and Trade Regulations") which was originally passed on November 1, 1941, and into which were later incorporated the provisions of P.C. 8527 ("The Maximum Prices Regulations"). The powers of the Board over rentals and terms of leasing of all real property in Canada, excepting farm lands, are laid down in P.C. 8965 and P.C. 9029, both passed on November 21, 1941. Only minor amendments were made to these three Orders in Council during the period under review.

The main pressures on the price ceiling were described in Part II, Chapter III, of the previous report\* of the Board. One field where previously high costs have fallen has been ocean transportation; lessened danger from submarine warfare has brought a reduction in ocean freight rates and war risk insurance. The other place where there has been some easing of costs has been in the field of substitute materials. Much of the need to use higher cost substitute materials has come from the shortage of metals; for example, the substitution of wood for metal in many lines of furniture, plastic for metal in refrigerators, and glass for metal in containers. Increased supplies of metals have recently made it possible in some cases to

revert from the substitute to the original material, with a considerable decrease in cost and—in many instances—the production of an article more satisfactory to the consumer.

The problem of higher cost substitutes, however, has far from disappeared. Furthermore, there are other closely related problems of material procurement. The need to bring supplies from longer distances, and the substitution of land for water transport, have increased transportation costs. Operating costs have also been raised by difficulty in obtaining supplies at the time required, which has often led to holding larger inventories or to the rearrangement or delay of production schedules. Furthermore, in some lines, such as many of the industries based on wood and pulp, decreased production has raised unit overhead costs.

Serious pressures on labour costs have been experienced in several different forms. The movement of young men and skilled workers into the armed forces and war industries has compelled many civilian industries and services to use less qualified workers. Then, the turnover of labour caused by this flow of workers has increased the proportion of time that must be devoted to training new workers before they can achieve maximum usefulness. Thirdly, the cost-of-living index rose by 1.4 points between July 1, 1942 and October 1, 1943, involving the payment of an additional cost-of-living bonus at the rate of 35 cents a week. Fourthly, in the industries excluded from the Wartime Wages Control Order, such as agriculture and fishing, wage rates have tended to rise. Finally in many industries included under the Wartime Wages Control Order there has been strong pressure for higher wage rates.

During the spring and summer of 1943, the National War Labour Board held a public inquiry into the whole field of industrial relations and wages, and at the invitation of that Board the Chairman of the Wartime Prices and Trade Board was among those who gave evidence. He stated in conclusion:—

\*Report of the Wartime Prices and Trade Board, September 3, 1939, to March 31, 1943, Ottawa, 1943.



"It is not for the Wartime Prices and Trade Board to say that maintenance of the price ceiling is more important than allowing increased wage rates or, for that matter, increased farm prices. But it is the duty of the Board to point out that such increases will, in all cases, weaken the price ceiling and if carried far, will destroy it. The people of Canada will have to decide which they want more."

The effect of increased wage rates on living costs is illustrated in the coal industry (*see* page 32).

Another important pressure on the ceiling has been the higher returns received by farmers for their products. Without the use of such measures as subsidies and government purchasing, these higher returns would have substantially increased the cost of living. This is shown by the following figures: from March to December, 1943, the Dominion Bureau of Statistics Index of Canadian Farm Prices rose from 156.3 to 179.1\* (14.6 per cent), while during the same period the food group in the cost-of-living index rose only from 128.6 to 133.6\* (3.9 per cent).

All these various pressures on the price ceiling have, taken together, produced innumerable problems which demanded solution if the desired volume of civilian supply was to be maintained. The general principles followed in dealing with them are described in Chapter II of this report, and specific examples will be found in Chapters V to X, discussing different commodities. In brief, the policy is to distribute whenever possible the increased costs among the various sections of the trade, and also to achieve the maximum degree of economy by eliminating unnecessary manufacturing and distributive practices. When this has been done, and if continued production or importation is considered necessary, relief may be given by the payment of subsidy, by government bulk purchasing sometimes, involving re-sale to the trade at a loss, by the remission of taxes or duties, and—in very limited cases—by price increase.

The payment of subsidies as a means of preventing price increases, or of obtaining price decreases, is frequently criticized as merely putting money into one pocket out of the other, since all subsidies must in the ultimate analysis be met by taxation or borrowing. This represents a misunderstanding of the principle. Subsidies, or similar aid out of public funds, are carefully controlled and are paid on essential

goods when they are the only alternative to a price increase if production is to be continued. If general price increases were allowed they would soon beget other price increases, and the inflationary spiral, with all its gross unfairness and stress, would have begun. The people who benefit most from subsidies are those with low incomes and large family responsibilities, for their expenditures on the necessities of life represent a large proportion of their total income and their tax payments are relatively small. The greater burden of the subsidies, on the other hand, falls on those in the higher income groups. In other words, the payment of subsidies distributes the burden of rising production costs according to ability to pay, whereas inflation distributes this burden according to the strength of one's bargaining power, with no regard to financial need.

The work of the Wartime Prices and Trade Board in holding the price ceiling is, in its general objective, well understood by the public. Such, however, does not seem to be the case in the other main field of the Board's activities—obtaining and distributing adequate supplies of essential civilian goods. The Board is popularly regarded as "the Prices Board" and the significance of the word "Trade" in the title is overlooked. Of course, all the pricing policies of the Board are in a very real sense in the interest of supply, because such activities as plans to share higher costs, economy programs, subsidies, etc., are all directed towards enabling essential production to be maintained in the face of greater costs. But in many cases the maintenance of adequate supplies needs many more direct measures. For example, to obtain the necessary raw materials for a manufacturing process often requires negotiations with the Combined Boards in Washington and with government bodies or agencies in the United Kingdom or the United States, or both, with a presentation of Canada's complete production and requirements picture. The materials, once allocated, may have to be bulk purchased—if they are only obtainable through inter-governmental dealings—and then arrangements made for shipping space. Having got the materials to Canada, they must be divided according to the needs of the armed forces and the civilian population, and then arrangements made for allocating materials to the various manufacturers, ob-



taining labour priorities where necessary, and eliminating wastage of materials and labour. In some cases "production directives", or informal controls of a similar nature, are required.

All of this, when spread over numbers of different commodities, involves a great deal of organizing. Then, when the goods are produced, the arrangement for their fair distribution may raise a whole set of new problems. Sometimes the restrictions imposed by the Board at various stages of production or distribution may seem irksome, but it must be remembered that the sole purpose of these restrictions is to make a limited supply of goods go further or be put to the most effective use. The types of measures used to "get the goods" and to distribute them are described in Chapters III and IV respectively, and specific examples will again be found in Chapters V to X.

In the supply picture, the "beginning of the end" of shortages is starting to emerge, though still somewhat dimly. The improved position in respect to metals has already been mentioned, and has permitted the relaxation of restrictions on the use of certain metals in all manner of different types of articles (*see* page 39). Improvement in woollen textile supply led to the removal of certain clothing prohibitions (*see* page 30) and higher tea and coffee supplies have made it possible to increase, though not to remove, the ration of these commodities (*see* page 18).

The administrative expenditures of the Board for the nine months under review, together with estimates for the fiscal year ending March 31, 1944, will be found in Appendix I. The staff increased from 5,028 on March 31, 1943, to 5,447 on December 31, 1943.

## II. PRICE POLICY

The price activities of the Board are concerned with holding down prices to the consumer and at the same time maintaining the maximum flow of supplies and orderly distribution. The control of prices has in general been achieved by using the basic period formula, under which the ceiling price for each individual seller is the highest price which he charged for the article in question during the four-week basic period, September 15 to

October 11, 1941. There are important classes of commodities, however, where it has proven increasingly difficult to base price control on the individual ceiling price of each seller. In these cases it has been desirable to depart from the basic period formula and fix standard maximum prices, with allowance for regional differences, and regulated mark-ups or specific retail prices. In fixing such standard prices or markups the

The core of the Board's organization is a series of 80 administrations, grouped in six co-ordinations. The administrations cover all industries, trades and services concerned with the civilian economy, and they report to the Chairman and to the Board through various Head Office Divisions, such as Prices, Supply, and Distribution, depending on the problems involved. (A list of co-ordinations and administrations is given in Appendix B, and of Head Office Divisions in Appendix A-3.) Because in a country like Canada so many problems of civilian supply can best be solved in the light of local conditions, fourteen Regional Offices, with 116 local and sub-local offices reporting to their respective Regional Offices, have been set up. (For list, *see* Appendix C.)

Owing to the very purpose of its existence, it is highly desirable that the Board should keep continuously in touch with the problems of all sections of the community. To do this numerous voluntary and advisory bodies have been set up. Most administrations have one or more advisory committees, which are composed of members of the trade concerned and which bring facts and opinions concerning that trade to the attention of the administration. The consumer's point of view is represented by the 14,000 members of the Women's Regional Committees of the Consumer Branch of the Board. These committees not only bring the consumers' views to the Board, but do invaluable work in explaining the purpose and the details of the Board's regulations to the housewives of Canada. Contact with local communities on all matters concerning rationing is achieved through the 600 Local Ration Board (*see* page 16).



general price or markup prevailing during the basic period (or, in certain cases, during the corresponding season in 1941) is the criterion. In other words, the basic period *formula* is abandoned only so that, by employing a more definable and enforceable standard, the basic period *principle* may be effectively observed.

The basic period principle, however, goes further than just the stabilization of prices at a certain level. It includes the maintenance, as far as available resources permit, of the same price quality relationships, the same price ranges, and a proportionate volume of production in low price lines as during the basic period or the corresponding season in 1941. It involves, too, the distribution of scarce goods to the various regions and retailers in the same proportion as previously. If all this were not done, the consumer would experience a rise in living costs without any increase in prices taking place, for he would be forced to buy a more expensive grade or less satisfactory type of article than was his custom. This chapter will consider these problems of production, imports and distribution to the extent that they can be met by price policy. Other methods of dealing with them are described in Chapters III and IV.

Pricing problems, subsidies and price adjustments were discussed at considerable length in Part II, Chapters III to VII of the previous report of the Board. Attention in this report will be focussed on the problems of major importance during the nine months under review. They came mainly under two heads: rising costs at various stages of production and distribution; and the pricing of goods not on the market during the basic period. Rising costs have been offset by a variety of measures, but in certain cases it has been necessary to allow some increase in prices above the basic period level. Lumber, newsprint and certain wood products are examples of this, and a description of the circumstances will be found in Chapter IX. Fresh fruits and vegetables are examples of another problem; on account of the great administrative difficulties of imposing an effective and enforceable ceiling on these commodities they were originally exempted, but when prices had risen sharply it was considered best to attempt to impose a ceiling in spite of the difficulties (see

page 24-5). The other main group of problems—pricing goods not on the market during the basic period—has assumed growing importance in view of the large number of “substitute” goods and entirely new goods being produced.

#### A. THE PROBLEM OF INCREASED COSTS

In meeting higher costs, the principle of “sharing the squeeze”—dividing the increased costs among producer, manufacturer, and distributor—is still operative, but in an increasing number of cases the saturation point has been approached. Along with “sharing the squeeze” the Board encourages the reduction of costs through programs of simplification and, where necessary and desirable, simplification is made mandatory. Simplification orders have taken various forms, but the general method has been to prohibit certain manufacturing and distribution practices and to reduce the number of lines. The Board has encouraged simplification rather than standardization. The diversity of manufacturing facilities and the extent of specialization within individual industries places real limits on the degree to which “standardization” could effectively be carried. Simplification has been able to achieve considerable economies, without necessitating the extensive and expensive machine change-over or excessive disruption of normal marketing practices which might be entailed by standardization.

If it is clear in a particular case that no further “squeeze” can be absorbed by the trade and that all practicable measures of economy have been introduced, various alternatives present themselves. Help can be given by subsidy, remission of duties or government bulk purchasing of raw materials; a price increase can be permitted; or the company can cease producing the product. The decision as to whether to pay a subsidy sufficient to ensure the desired level of production, or to give relief by tax remission or bulk purchasing, will depend primarily on the essentiality of the goods or their importance directly or indirectly to the cost of living. It is not the policy to give assistance from public funds for the production of luxury items.

Increases in the consumer price have been granted infrequently. There have been instances, such as natural ice, where the commodity is essential but the pay-



ment of subsidy, due to the manner in which the trade is organized, would be impracticable. As it is obviously imperative that supply be continued some upward revision in price has been allowed. There have been other cases where, because of the very limited effect on the cost of living coupled with other considerations, it was considered preferable to adjust prices rather than pay subsidy. For example, during the period certain increases were granted in the price of brick and tile and gravel. In these cases a large part of the product is used for industrial purposes and the portion for consumer construction and repair, because of its durable character and infrequency of purchase, has little bearing on the cost of living. Wooden clothes pins may be cited as a further example, arising out of different considerations. Although assistance needed by the manufacturers was considerable it could, after the application of squeeze, be met by a minor adjustment in the consumer price. Because of the relative infrequency of purchase and the further fact that consumer prices were not uniform, so that the upward adjustment would not be universal, a price increase was authorized in lieu of subsidy.

Assistance by the payment of subsidies or modification or remission of duties or through government bulk purchasing is given, as the Minister of Finance said of subsidies, "in the interest of the consumer . . . when there is no other way of ensuring adequate supplies of a particular product for the consumer at prices permitted by the price ceiling" (Speech in the House of Commons, April 23, 1942). As explained in the previous report (page 22), "the real beneficiary of the subsidy is the consumer, but since it would be an impossible administrative task to pay a subsidy directly to the consumer, the actual payment is made to producers or dealers on condition that they maintain supplies and carry out the policy of the price ceiling".

In certain cases it has been necessary to apply the principle of subsidy limitation (i.e. control of profits, see previous report pages 22-3). The principle has also been applied to trading losses taken on bulk purchases (e.g. cocoa beans). The principle implies, as the Minister said in the speech just quoted, "that the subsidy in conjunction with the special conditions attached to it should leave the industry in

a worse not a better profit position than before the price ceiling was imposed". Profit limitation has been extended from the list of subsidies given in last year's report to many more items. In one or two instances the usual formula based on an overall limit of 116 $\frac{2}{3}$  per cent of standard profits has been altered to allow for special circumstances (e.g. the jam and jelly formula). In one case the Corporation is acting as the agent of another Government organization—The Canadian Wheat Board—in applying the subsidy limitation principle.

The degree of the squeeze imposed on the trade is continually being reviewed, and in several cases has been increased either through modification of subsidy rates or through changing the selling prices or terms of sale of bulk purchases. For example, an increased squeeze has been passed on by footwear manufacturers to distributors; a greater squeeze is being absorbed on leather by the glove and garment trade; distributors are absorbing higher prices on coffee, tea and cocoa bulk purchased by the Commodity Prices Stabilization Corporation.

Where administrative considerations have necessitated payment of subsidies or absorption of trading losses by the Corporation on goods not normally eligible, the Corporation has developed methods of recovering such subsidies and trading losses. In the case of exports or ships' stores recovery of the subsidy is made from the exporter or at the time of delivery to the ship. An interdepartmental committee on subsidies has been set up to clear problems concerning the withholding or repayment of subsidies on goods supplied to the Department of Munitions and Supply, and an agreement has been arrived at with the Department as to its relation to the price ceiling, and repayment of subsidies. There is an exception in the case of foreign governments buying goods for use in Canada and not for export (notably in connection with the Alaskan Highway). It has been decided that they are entitled not only to ceiling prices but also to the benefit of subsidy or trading loss.

Several new forms of subsidy and bulk purchase have been introduced or developed. A number of subsidies, for example, have been paid, designed to offset higher transportation costs. In some cases the Board has undertaken to purchase stocks on hand at the end of the



season or after a specified date, providing certain conditions have been met, as a means of providing against loss on any inventories accumulated in the interests of maximum supply. This plan, which had already been adopted for the 1942 pack of canned fruits and vegetables, was continued for the 1943 pack, and extended to jam and jelly, fruit and vegetable containers, and wood fuel.

#### B. PRICING GOODS NOT ON THE MARKET DURING THE BASIC PERIOD

Since many of the goods coming on the market were not available during the basic period, it has been necessary to lay down principles and procedure for fixing their maximum prices. The problem is to determine the price which would have been appropriate had the article been sold during the basic period. Having determined the ceiling price, there is sometimes the further difficulty that the cost of producing the goods in question may be greater than the cost of a comparable article. In this case, the problem is dealt with as any other arising out of higher costs.

Uniform pricing procedure has been laid down in the Consumer Goods Order (B-214). The order provides that no consumer goods may be sold unless or until the maximum price or maximum markup on them has been established. Maximum prices or markups may have been established through sale in the basic period or by an order of the Board. Where prices have not been fixed in either of these ways, application must be made under the terms of Board Order No. 214.

For the purposes of the order goods on which no maximum price or markup has been fixed are classified as (1) "similar goods": those similar in usefulness, durability, serviceability and intrinsic worth to goods for which a maximum price has been established; (2) "identical" goods: goods on which a particular wholesaler or retailer may not have established a maximum price or markup but which are being sold by a closely competitive seller; (3) "dissimilar" goods: goods which differ in usefulness, durability, serviceability or intrinsic worth from goods for which a maximum price has been established. This latter class will include goods which used to be on the market but which, because of restrictions, were not available during the basic period and are only now

reappearing. All goods on which a price or markup has been established are called "standard" goods.

The pricing procedure for the different groups has been worked out as follows. Goods "similar" to other goods for which there is a ceiling price may be sold at the same price as the similar goods provided details are filed with the administrator and he does not indicate disapproval within sixty days. A retailer or wholesaler may sell "identical" goods at a price not exceeding the ceiling price of his most comparable competitor, and when the details are filed with the appropriate administrator this price becomes the seller's lawful ceiling unless the administrator otherwise directs within sixty days.

In the case of "dissimilar" goods, a manufacturer's ceiling price is fixed or approved by the administrator concerned, maximum wholesale and retail markups or prices are fixed by the Administrators of Wholesale and Retail Trade and the fixation is submitted to head office for approval. Maximum prices of "dissimilar" imported goods are fixed in the same way except that approval of head office is not required. In the pricing of "dissimilar" goods the main consideration is the price at which they would have been sold during the basic period.

It is undesirable, from the standpoint of overall control of prices, to see established goods disappear from the market and be replaced by substitute goods unfamiliar to the public. Therefore, where applications for fixing the prices of "dissimilar" goods are based on an alleged shortage of raw materials, an attempt is first made to assist the applicant to obtain the necessary material from alternative sources, so as to ensure that as far as possible standard lines may be continued. However, the Board is conscious of the desirability of facilitating the maximum production of all kinds of goods provided that they do not interfere with the effective prosecution of the war or the maintenance of essential civilian supply. Consequently, administrators will not refuse to fix a price for an individual applicant on the grounds that his production is unnecessary or undesirable or that the goods have no real commercial value. If the use of raw materials for any purpose seems undesirable in the light of the existence of more



essential demands, the Board will recommend restrictive or conservation measures to be applied generally.

In the interests of price control the Board also considers it desirable to maintain established trade descriptions of standard consumer goods. Since price is linked closely with a brand name in many cases, any widespread changes in brand names might lead to degradation of quality or a "loosening" of prices at wholesale and retail levels due to confusion caused by such changes. For goods which are "similar" to standard goods, manufacturers and importers are required to adopt the trade description of the comparable standard goods. For "dissimilar" goods, they are required to adopt an entirely new description, which puts the wholesaler and retailer on notice that the goods are, in fact, "dissimilar".

The widespread use of substitute materials and the loss of skilled and experienced labour, with the consequent increase in costs of production, combine to raise problems of quality deterioration. To ensure that as far as possible under war-time conditions the price-quality relationships of the basic period are maintained, the Board has established a Standards Section in the Prices Division. The duties of the section are to co-ordinate those activities of administrators relating to the maintenance of price-quality relationships; to recommend such standards, specifications and labelling regulations as may be desirable; to investigate consumer complaints of deterioration; and to carry out systematic inspection of manufacturers, wholesalers and retailers to uncover unauthorized varia-

tion in price-quality relationships. The services of the Standards Section are important in the setting of appropriate maximum prices where new or substitute products come on the market.

### C. OTHER PRICE ADJUSTMENTS

In the case of a number of primary products where there has been a confused price situation, sometimes aggravated by rising costs, it has been desirable to replace individual ceilings by standard maximum prices and controlled markups in order to obtain a more clearly definable and enforceable price structure. In some cases maximum prices are fixed at the retail level, and in others at the processor or wholesale level with maximum markups specified where necessary. Allowance is made for regional differences in price level and for transportation costs. Since individual ceiling prices are lower in certain districts and certain stores than in others, the fixing of standard prices has resulted in some levelling up or down of prices.

Seasonal price increases have been permitted by the Board in the case of certain foods, to cover the extra cost of storage during the off-season period (e.g. beef, lamb, butter, potatoes, eggs). For some of these products the seasonal price variations have been specified (e.g. potatoes); in other cases (e.g. beef, eggs) a flat ceiling price has been established and seasonal variations are expected to take place below this price. The standard retail pricing system adopted this year for beef was designed to ensure that any seasonal decline in wholesale beef prices is passed on to the consumer. (See page 21).

## III. SUPPLY POLICY

The responsibility of the Wartime Prices and Trade Board in regard to supply is to see that essential civilian needs are satisfied, and that the best use is made of materials, goods and services in short supply. Apart from action to increase supplies by pricing policies, discussed in the previous chapter, steps taken by the Board in this sphere fall into three groups. Necessary imports have to be secured from abroad, which involves presentation of Canada's requirements to

the Combined Boards which allocate United Nations supplies, and to those national control bodies which regulate the production of materials in the United States and the United Kingdom. This may involve the bulk purchasing of supplies. Secondly, Canadian materials, whether imported or domestically produced, and labour must be allocated as between war and civilian requirements, for which purpose certain interdepartmental committees have been set up and



close co-operation is maintained with the Department of Munitions and Supply and with National Selective Service. And finally, the best use of all short supplies available for civilian purposes requires allocating materials to the most essential users, eliminating unnecessary use of materials and labour by simplification and conservation programs, and issuing production directives when necessary.

#### A. OBTAINING ESSENTIAL IMPORTS

Many of the essential materials produced by the United Nations are allocated among those nations through the media of the International (Combined) Boards, functioning in Washington, which endeavour to plan the most effective and equitable distribution of supplies. The Wartime Prices and Trade Board prepares for presentation to these boards data on the production and requirements of the civilian sector of the Canadian economy as well as some direct war requirements. Decisions regarding the allocation of supplies between the United Nations are then implemented by the agencies responsible for production and control of supplies in each country. These statements of requirements ensure that necessary imports are obtained and that Canada's export commitments are consistent with her essential domestic requirements.

Canada is a member of the Combined Production and Resources Board which, in the main, co-ordinates production of war supplies and to an increasing degree is concerned with the allocation of the more essential civilian goods. In the latter field the Combined Board has established a number of committees to deal with pulp and paper, textiles, farm implements, hides, leather and footwear, internal combustion engines, coal, tire fabric, machine tools, etc. Administrators of the Wartime Prices and Trade Board serve as the Canadian members of some of these committees; in other cases nominees of the Board represent Canadian interests. Canada is not a member of the Combined Raw Materials Board but Canadian supplies and requirements are submitted to this Board, usually through the medium of the Joint Materials Co-ordinating Committee (Canada-United States). Since late in 1943, Canadian representatives have sat as

members of the commodity sub-committees of the Combined Food Board, a situation which has recently been formalized by the addition of Canada as a full member of the Board. Canadian representation on the sub-committees of this Board is divided between the War-time Prices and Trade Board and the Department of Agriculture.

The allocation of supplies of raw materials and civilian goods produced in the United States lies in the hands of the Requirements Committee of the War Production Board on which the various claimants for these supplies are represented—the United States Army, the United States Navy, Office of Foreign Economic Administration (claiming for lend-lease and other exports), the Office of American Civilian Requirements (claiming for American civilian needs), and so forth. Most of the detailed work of this Requirements Committee is, however, delegated to divisional requirements committees dealing with various commodities. On these committees, Canada is represented by the Canadian Division of the War Production Board which acts as a so-called "claimant agency" on behalf of Canada. The Washington Branch of the Wartime Prices and Trade Board maintains close and continuous contact with the Canadian Division War Production Board and thereby ensures that statements of Canadian requirements are presented directly to the divisional requirements committees. In addition, procurement of civilian supplies and the presentation of Canadian requirements is facilitated by a large number of personal contacts between officers of the Wartime Prices and Trade Board and their opposite numbers in the United States. In a similar way, the Board maintains contacts in the United Kingdom with the Board of Trade and the Ministry of Supply and obtains allocations of British supplies required by Canada.

An allocation of supplies by War Production Board or one of the international bodies does not necessarily of itself guarantee that the quotas allocated will be imported. The Wartime Prices and Trade Board, therefore, must often take further steps. For instance, arrangements have recently been concluded with the War Production Board under which the Canadian allocation of woven cotton



fabrics from the United States receives certain priority assistance designed to ensure that the quota is filled but not exceeded. Applications for preference ratings must be approved by the Canadian Cotton Administration so that the specific types of goods allocated to Canada may be distributed equitably among importers (*see* page 29). In many cases bulk purchases by one of the companies under the Board's control are the means of implementing international allocations of supplies; most commodities are bulk purchased by the Commodity Prices Stabilization Corporation, but all raw wool and practically all imports of woollen yarns for civilian purposes are bulk purchased by the Canadian Wool Board, and the Wartime Food Corporation Limited has been re-organized for the bulk purchase of fresh fruits and vegetables. Bulk purchases must generally be made on a government to government basis, but as far as possible are distributed through the ordinary channels of trade, importers acting as agents for the Corporation. The Corporation assumes all the risks involved in the transaction and is responsible for obtaining the necessary shipping space, which is allocated by a Shipping Priorities Committee, on which Commodity Prices Stabilization Corporation has a representative. A single government agency like the Corporation is clearly in a much better position to obtain the necessary shipping than a number of private importers would be. (For a discussion of bulk purchases *see* previous report, pages 30-1.)

#### B. ALLOCATING SUPPLIES BETWEEN MILITARY AND CIVILIAN NEEDS

Procedure for the allocation of productive resources and supplies between the military and the civilian sectors of the Canadian economy does not follow the same pattern in every case. In the case of metals, lumber and other raw materials controlled by the Department of Munitions and Supply, administrators have, in most cases, applied directly to the controller concerned for allocations of materials for particular purposes, and have obtained as much as could be spared from the war production program. As the need to ensure or to resume production of minimum amounts of certain essential civilian goods has developed and as the supply of certain types of

metals has eased, production programs have been arranged by the Board (*see* pages 27, 38 and 39). Materials and plant facilities for these programs are allocated by the Wartime Industries Control Board, and in the case of farm machinery the need was so urgent that facilities were used that would otherwise have been required for war purposes.

In the textile and leather fields the National Textile and Leather Requirements Committee was formed on May 10, 1943, with representatives from the three main branches of the armed services, the Department of Munitions and Supply and the Wartime Prices and Trade Board, the Board representative being chairman of the committee. The principal function of the committee, which reports directly to the War Committee of the Cabinet, is the allocation of available supplies of textiles and leather between competing claimant agencies, the armed services, the civilian population, and requirements under the Mutual Aid program. The Board's estimates of civilian requirements are given the same consideration as the requirements of the armed forces so that the claims of the latter may not reduce the supplies of the civilian economy below essential needs.

The domestic distribution of food supplies is a responsibility of the Wartime Prices and Trade Board, to which the armed forces submit their requirements. Broadly speaking, the Board is responsible for distribution and imports, while the Department of Agriculture is responsible for production and exports.

There is a Food Requirements Committee, an interdepartmental committee composed of representatives of several government departments and agencies including the Wartime Prices and Trade Board, which considers all major questions of policy connected with food production and supply in Canada and with the supply of Canadian foodstuffs to other nations. Among other things this Committee supervises the preparation of information on Canada's food position which the Committee may desire to furnish to the Combined Food Board in Washington. In addition the Committee reviews Canada's undertakings to export food to Britain and other United Nations in relation to Canadian food production, the price ceiling, and the essential requirements of foods for domestic consumption.



In most cases the civilian economy is protected against an undue drain of supplies through exports by the system of export permits administered by the Export Permit Branch of the Department of Trade and Commerce. Where exports are regulated by international agreement or by an allocation made by one of the international boards, export programs are worked out by the Supply Division or the Foods Administration of the Board in co-operation with the other Departments concerned, and with representatives of the receiving countries and other suppliers so that there is no duplication of supplies.

Labour requirements of the different sections of the economy are reviewed by the Interdepartmental Labour Priorities Committee. Where additional labour is required to maintain essential civilian production and where all reasonable steps have been taken to make the most effective use of existing capacity, the Industrial Division of the Board submits the requirements of the industry concerned to the Committee.

#### C. USING AVAILABLE CIVILIAN SUPPLIES TO BEST ADVANTAGE

##### *Allocation of Supplies between Manufacturers*

The Board's administrators are responsible for allocating materials in short supply to the different manufacturers in their industry. The method of allocation varies from industry to industry. In some cases arrangements are entirely informal; in others supplies of raw materials can only be obtained under permit. In the case of newsprint, the administrator sets a quota for each user, and issues a permit for the appropriate amount. When purchasing scarce metals manufacturers must first obtain the approval of the appropriate administrator which is then submitted to the appropriate controller in the Department of Munitions and Supply for release of the metal. In addition the Board's administrators have set maximum quotas, related to the amount used by manufacturers in a specified base period, for the amount of metals that may be used in the production of various consumer goods. The distribution of fertilizers in certain areas is facilitated by the provision that purchasers may not change their source of supply. In general, a great deal of administrators' activities are concerned with assuring an adequate flow of raw materials and supplies.

#### *Simplification and Conservation*

The maintenance of an adequate supply of consumer goods has been greatly facilitated by the many steps taken by the Board to eliminate non-essential uses of materials and non-essential manufacturing operations. In many cases, of course, the primary purpose of manufacturing restrictions has been to reduce the costs of production, but conservation has also resulted. Conversely restrictions imposed with a view to conserving materials, labour, plant facilities or shipping space have often resulted in cost reduction. For example, simplification of the paperboard or fibreboard packing cases of various goods has conserved pulp supplies, and has also reduced costs of packaging certain types of goods. In a few cases, however, conservation measures may increase costs of production, and this has been one of the factors limiting the extent to which these measures can be carried. Restrictions on the manufacture of less essential goods may make it impossible for a manufacturer to recover the costs incurred in producing more essential goods and may actually increase these costs. In general, however, the Board's policy of obtaining the maximum production of consumer goods from the resources available to the civilian economy has received the co-operation of manufacturers and in many cases simplification and conservation measures have been introduced on a voluntary basis. (For further discussion of the simplification program see previous report, page 47 et seq. and the chapters dealing with the different commodity groups in this report.)

#### *Programing Production*

Growing shortages of essential consumer goods have made it necessary in a number of cases for the Board to program civilian production in order to assure adequate supplies. In the textile industries this has been done by means of "production directives" (see page 30). These directives have received the fullest co-operation from manufacturers, since in issuing them the Board undertakes to assist manufacturers in the procurement of raw materials and labour.

A production quota for each class of goods covered by a directive is assigned to each manufacturer, these quotas being based primarily on requirements and current manufacturing capacity. For ex-



ample, manufacturers of knitted underwear were directed to produce definite quantities of various types of men's, women's and children's underwear. Each manufacturer is required to fill his quota as far as possible by using his inventory of suitable materials and all available labour and productive capacity at his disposal. Where necessary, however, the Board attempts to procure additional resources. Production and, in some cases, allocation of the necessary additional raw materials is directed by the administrators of the primary industries, who assign production quotas for the yarns and fabrics required, to the various primary manufacturers. In the case of knitted underwear, for example, spinners were directed to deliver certain minimum quantities of machine knitting yarns to the knitters and, at the same time, steps were taken to get preference ratings on knitting yarns in the United States to relieve the shortage. Reports on additional labour required to meet production quotas are submitted to the Industrial Division of the Board, which presents these requirements to the Interdepartmental Labour Priorities Committee. This Committee may then provide relief by requesting National Selective Service to assign higher labour priority ratings to an industry or plant, to recommend deferment to key workers or to sponsor drives for more labour of a particular type or in a particular industry. Where a manufacturer is unable to fill his quota by reason of a machinery bottleneck the Board may sponsor his priority application for the necessary equipment. Manufacturers operating under a production directive are required to furnish monthly or weekly reports of their output to the administrator, who in turn reports to the Supply Division of the Board, which directs the production programs.

The programming of production is, of course, not confined to the cases in which formal production directives are issued. The production of the primary textile industries, for instance, is informally programed by the administrators concerned on the basis of requirements data assembled by the Supply Division in co-operation with the administrators of the secondary industries. Programs have also been developed by certain administrations in the Metals Co-ordination. Production and import quotas for farm machinery were worked out in co-operation with the Wartime Industries Control Board and the War Production Board of the United States. For each class of machine a percentage quota based on production and imports of the years 1940-41 was set, which applied equally to all manufacturers and importers. While no production directives were issued manufacturers unable to produce their full quota were required to report this fact to the administrator so that portions of their quota might be transferred to other manufacturers.

Similar programs have been developed for a number of metal consumer goods and more are in preparation. The Board's ability to program production of metal goods is, of course, more restricted than in the case of textiles, since control over raw materials and manufacturing capacity is in the hands of the Department of Munitions and Supply. All programs are submitted to that Department for approval and for allocation of the required raw materials and production facilities. In the textile industries, on the other hand, the Board's control extends to raw materials and manufacturing capacity in the primary industries.

#### IV. DISTRIBUTION POLICY

After every feasible effort has been made to increase supply, it is still inevitable that there will be shortages in many lines of consumer goods due to the large proportion of our productive facilities being devoted to war work and to the increased demand from the civilian population with its greatly expanded pur-

chasing power. To ensure that goods in short supply are distributed on as fair a basis as possible having regard to all the circumstances, it is necessary that some supervision of distribution under wartime conditions be undertaken. Thus care must be taken to see that highly essential needs are given priority, that supplies are not



consumed at or near the point of production to the detriment of other areas, that discrimination between large and small distributors and different kinds of distributors does not develop within the trade, and that consumers are provided with a fair share of essential goods with the least shopping inconvenience. Whatever appropriate action is necessary to achieve these ends, is taken by the War-time Prices and Trade Board.

The control of distribution is undertaken by the Board in a variety of forms through the administrations set up to deal with the distributive trades and with rationing, working in co-operation with the industrial administrations. In the spring of 1943 the general responsibility for developing policy and for integrating the activities of the various co-ordinations and administrations was placed in the hands of the Distribution Division of the Board. To meet the problem of distributing scarce goods equitably among retailers and regions the Board has adopted what has become known as the "policy of equitable distribution". In many cases fair distribution throughout the trade is the most effective method of achieving fair distribution among consumers, but where that is not the case it may be supplemented by consumer rationing.

#### A. THE POLICY OF EQUITABLE DISTRIBUTION

The basis of this policy, which was outlined in the previous report of the Board (see pages 58-9), is that manufacturers and wholesalers, when unable to meet the full requirements of retailers, are required to allocate their available supply to their customers in proportion to their sales to the same customers in the year 1941. In April, 1943, more detailed principles were laid down as a guide to handling specific problems. Informal adjustments with the co-operation of the trade are fundamental to the policy and its success to date has been due largely to the fact that it operates with a minimum of disruption to normal distributive practices. Moreover, the control is self-liquidating, for it becomes non-operative as soon as the supply of any item exceeds the demand. In the United States, where control of trade inventories has failed to ensure dealers of their share of the supplies of scarce goods,

an equitable distribution plan similar to the Canadian plan is now under consideration.

The year 1941 was chosen as the basis for allocations because it represented a fair level of business activity throughout the country and because it was recent enough to get business records and statistics. Provision was made that suppliers who did not have sufficient data available on 1941 sales might, with the approval of the Co-ordinator of Distributive Trades, adopt an alternative system which would fulfill the requirements of the policy. Quotas for individual distributors may be adjusted when it can be demonstrated that 1941 was a "freak" buying year due, for example, to heavy carryover of goods from 1940.

Quotas may also be adjusted when there has been a substantial increase in civilian population within an area. Many requests for larger quotas on this ground have been received, but in the main increases have been limited to areas which have had major increases in population arising from proximity to war industry or defence projects, such as the Alaska Highway. Adjustments have not been approved for minor population changes nor where, although a substantial increase has taken place within a municipality, there has not been any significant increase in the population of the county or region supplied from that urban centre.

A supplier going into war work or closing down is another factor disturbing to equitable distribution. In this case the retailers previously served by him do not get their supplies, and they may be assigned a reasonable allocation through another supplier. Quotas of retailers who close down may be redistributed among the others in the area. Where new businesses have been opened since 1941 the quotas assigned are determined by whether consumers in that district are already adequately served by other existing retail outlets and on the degree of shortage of the goods involved. Since November, 1942, the danger of unnecessary dispersion of goods in short supply through new outlets has been largely prevented by an order of the Board which requires that individual permits be obtained before a new business is opened or a new line of goods offered for sale (see previous report, page 59).



To provide for re-allocation to increased population areas and for possible emergency distribution, manufacturers and wholesalers have been asked to hold back a small reserve approximating 5 per cent of their available supplies. In this way they are in a position to increase a quota to an individual area or firm when required without having to revise all their other quotas.

The problems which arise in administering the policy of equitable distribution are usually local in character, concerning only the supplies going to a few distributors or a special regional need for a commodity. For this reason complaints are initially directed to the nearest regional office of the Board, where the Prices and Supply Representative has authority to ascertain the facts of the case and to make adjustment between wholesalers and retailers if that can readily be done within his own region. Should the matter concern the distribution of goods of a supplier located in another region, the case is referred to the Distributive Trades Co-ordination where, in most cases, any necessary adjustment is made by informal arrangement. Formal directives are necessary when the alteration of quotas affects a considerable number of distributors or relates to a whole area. The method of handling problems locally where possible assures prompt and better informed action than would otherwise be feasible.

#### B. OTHER METHODS OF CONTROLLING DISTRIBUTION TO RETAILERS

When supplies of essential consumer goods fall very much below demand the policy of equitable distribution must frequently be supplemented by more specific controls in order to ensure that special regional or individual needs are met or that all consumers have an equal opportunity of obtaining supplies. As these shortages have arisen the Board has sought to apply the particular distribution technique that would meet the problem with a minimum of inconvenience to the public and to the distributive trades. If the commodity is one which is generally used in approximately equal quantities by all consumers the problem is to limit total demand and to ensure that all consumers have an equal opportunity to obtain a share of the available supplies. In such circumstances coupon rationing provides the most effective control—but the desir-

ability of rationing must be weighed against the administrative burden it imposes on the government and the distributive trades, and in some cases, this burden might be excessive. Then, there are cases in which an equal per capita ration, in view of the supply position, would not ensure that the needs of certain essential users could be adequately met. And there are such wide variations in individual need or customary usage of some commodities that coupon rationing would not ensure equitable distribution.

*Canned vegetables* exemplify the conditions under which an equal per capita ration would not solve the distribution problem equitably because of the wide variations in consumer needs. Since large numbers of Canadians use no canned vegetables or extremely small quantities the average consumption is normally low and an equal per capita ration, even in a year of normal supply, would mean an inadequate ration for those who need or customarily use canned vegetables as a regular part of their diet. In some areas fresh vegetables are not available during much of the year and root vegetables are obtainable in such small quantities that the canned product is, nutritionally, a necessity. In other areas the use of canned vegetables is, to some extent, non-essential. To treat all regions and all consumers equitably any plan for rationing canned vegetables should include fresh and root vegetables. Because of their perishability, and also the large number of producers, it would be so difficult to control supplies that effective rationing would involve an immense administrative burden.

It was decided, therefore that the sale of canned vegetables should be controlled by the policy of equitable distribution, supplemented by monthly sales quotas for retailers and special arrangements for users whose needs entitle them to a priority. In order to conserve supplies during the season when fresh products were on the market, sales of canned vegetables and juices were frozen from July to November, 1943. When the sales freeze was lifted each retailer was assigned his rateable share under the policy of equitable distribution. A delivery schedule for wholesalers was drawn up and retailers were directed to sell only a specified percentage of their total allocations each month to ensure that the goods

would flow evenly to the public during the winter and spring. Retailers were asked to take whatever action they could to distribute the supplies equitably among their customers.

A part of the 1943 pack has been set aside by the Board to meet priority needs. Out of these stocks supplies are allocated for the armed services, ships' stores, export commitments, etc. Under the quota system for supplying rationed foods to industrial and institutional users, already in operation by the Ration Administration, quotas based on a per meal allowance were established for hospitals, remote lumber camps, construction camps, and similar essential users. The suppliers of the latter are reimbursed out of the stocks set aside by the Board to the extent to which the quota exceeds the firm's or institution's share under equitable distribution.

This plan ensures that all priority needs are met—that the armed forces, hospitals, workers in remote areas, etc., receive the canned vegetables which they must have, that retailers and wholesalers receive their fair shares of the supplies available. The weakness of the scheme lies at the consumer level. Because sales of canned vegetables were frozen for a few months and because they are known to be in short supply, their reappearance in shops was a signal to some consumers to buy far in excess of their needs. If this impulse to hoard wears itself out the distribution scheme will have achieved its purpose and without the administrative difficulties and lack of equity inherent in coupon rationing for these goods.

### C. CONSUMER RATIONING

Rationing programs, both permit and coupon introduced prior to April, 1943, have been continued. The rationing organization, the use of coupons and quotas, and the way in which the flow-back of coupons regulates the distribution of goods to the wholesale and retail trade were described at some length in the previous report of the Board (pages 59-63). Ration banking, handled by the chartered banks, has proved a valuable assistance to the distributive trades and the Board since it eliminates so much coupon-handling. The activities of the volunteer local ration boards have expanded and their number has increased to about six hundred. They have provided invaluable

assistance to the Board in dealing with local problems which require a knowledge of local conditions. Volunteer workers have also undertaken the distribution of ration books, thereby relieving heavy pressure on the mails.

*Permit Rationing.*—This technique has been used to control the distribution of articles which are required only by certain groups in the community and are purchased at irregular intervals. Permit rationing had been applied to farm machinery, electric stoves, typewriters and office machinery, telephone services and railroad watches prior to the period under review. Protective rubber clothing was subject to permit rationing from June until the end of October, 1943, when increased supplies of reclaimed rubber made it possible to lift the restriction. Though permit rationing is in effect for electric stoves, it has not been extended to other consumer durable goods of which production is now being gradually resumed. It was felt that, while inability to obtain these appliances would cause some inconvenience, electric stoves are the only ones which could be regarded as strictly essential and then only when no alternative could be used. For example, in apartment houses which are not equipped with chimneys or gas inlets electricity is the only fuel available for cooking purposes.

The rationing of small arms ammunition has been in effect since March 24, 1943. Because such a large part of the total output had to be diverted to direct war uses it was necessary to curtail civilian demands. During the past year it has been necessary to limit sales to those who require ammunition in their occupations or for protection of crops and livestock. Since essentiality is sometimes hard to define, decisions are made by the local ration boards or branches of the Ration Administration in the light of their knowledge of local conditions. Arrangements have been made to increase civilian supplies and a less restrictive ration will become possible.

*Coupon rationing.*—Coupon rationing of sugar, butter, tea and coffee has been continued and meat, preserves, evaporated milk (in certain areas) and canned salmon have been added to the list of rationed foods.

*Meat rationing*, which came into effect on May 27, 1943, allows the consumer about two pounds, carcass weight, of meat per week. The various types and cuts



of meat are grouped, for the most part, in accordance with their edible meat content. The coupon values of the four groups range from  $\frac{1}{2}$  pound per coupon for the all-edible meats to  $1\frac{1}{4}$  pounds for cuts with a high bone content. Offal, cuts containing more than 50 per cent bone, poultry and variety meats are off the ration. As in the case of butter the primary producer's consumption is not limited, but he is required to collect coupons for his sales and to surrender these to the nearest local ration board. If he supplies his own meat he is required also to surrender up to half of his valid meat coupons to the board. To control the supplies of meat moving through trade channels all slaughtering has been made subject to licensing, except that farmers may slaughter for their own use or for sale to other farmers without a licence.

It was announced on December 30, 1943, that a small amount of canned salmon will become available in 1944. Since this has been off the Canadian market for about two years consumer rationing will be necessary to prevent uneven distribution. Since it is a substitute for meat it will be sold against the meat coupons at a value of  $\frac{1}{4}$  pound per coupon, effective January 17, 1944.

In September, 1943, a group rationing scheme for "*preserves*" was introduced covering canned fruit, jams, jellies, marmalades, molasses, honey, maple syrup, and other sweeteners. All of these items had been in short supply, at least regionally or temporarily, and none of them was sufficiently widely used nor in sufficient supply to warrant a separate ration. Because they are all interchangeable for each other as desserts or sweeteners, group rationing gives the consumer a choice of foods for these uses. One coupon per two week period constitutes the ration and the coupon value of each commodity is adjusted mainly on the basis of supply. A sugar alternative at the rate of  $\frac{1}{2}$  pound per coupon, is included permitting consumers who wish to make jam or marmalade at home to do so, thus reducing demand for other preserves items. With a number of articles being sold against the same coupon the flow-back of coupons cannot control the distribution of each article to the retailer, as it does in the case of a straight quantity ration such as sugar or butter. The quantity of each item received by the individual retailer is,

therefore, determined in accordance with the policy of equitable distribution. Thus the retailer receives his fair share of the items available and distribution is adjusted to customary regional consumption patterns.

Coupon values for the various foods in the preserves scheme must be calculated to balance the total supply and the total demand for all items on an annual basis, and, also, to ensure prompt sale of the crops of perishables, such as honey and maple syrup, during the seasons of peak production. Coupon values of these latter two products have, therefore, been substantially increased and validity dates of coupons moved forward to prevent any wastage which might occur if producers could not sell their output quickly through the customary channels. Other coupon values have been changed to bring them in line with container sizes or trade practices.

A variation of coupon rationing was adopted in the case of *evaporated milk* (for explanation of shortage, see Chapter V). The problem here was to direct sales of evaporated milk away from areas in which fluid milk was available in adequate supply to those areas where fluid milk supplies were deficient or unobtainable. Regional allocations would not entirely solve the problem since, even where fluid milk is plentiful, evaporated milk is necessary for the diet of infants and invalids and for use in hospitals.

Under the priority sales plan introduced in October, 1943, shipments of evaporated milk to areas with adequate supplies of fluid milk were strictly curtailed, and these extra quantities were allocated to areas deficient in fluid milk; infants and invalids in all areas were guaranteed supplies by the use of special ration cards, issued on proof of need. Quota arrangements, similar to those in effect for other rationed foods, have been made to provide supplies for hospitals and other essential users.

Initially, some stocks were available ration-free in the non-deficiency areas but the increasing shortage made it necessary to amend the arrangement so that evaporated milk may now be purchased only against ration documents in those areas. The flow-back of coupons controls the allocation of supplies to these areas. Supplies flow coupon-free into the deficiency areas and may be sold coupon-

free except that retailers are required to set aside out of each month's supply a quantity sufficient to honour the coupons presented by priority users.

In addition to the new ration schemes, a few minor changes have been made in the rations effective prior to the period under review.

In September, 1943, when improved shipping conditions made it possible to obtain larger supplies of tea and coffee, the ration was increased by one-third. Though coffee stocks increased considerably more than tea, because the distance from producing countries is shorter, it was not feasible to take coffee off the ration entirely. Tea and coffee have been rationed jointly because they are almost equally popular with Canadian consumers and are completely interchangeable for each other as beverages. While some families use both, many use one or the other almost exclusively and a joint ration which permits the consumer to choose whichever he prefers, is the most equitable means of distributing both. If coffee were taken off the ration and the present coupons made valid for the purchase of tea only the coupons now spent for coffee could, theoretically, all be used to buy tea and, in practice, some of them would be used by consumers who do not customarily drink tea. As a result, the increase in the demand for tea might be so great that present supplies would prove inadequate. It would then be necessary to reduce the tea ration, imposing a hardship on tea-

drinkers. Moreover, it is doubtful whether the increased coffee supplies would be sufficient to meet unrationed demand.

It was decided, therefore, to continue the rationing of both tea and coffee and to maintain the present one to four ratio which equates the two on the basis of the number of cups of beverage each will yield. The weekly ration of both beverages was increased from one ounce of tea or 4 ounces of coffee to  $1\frac{1}{3}$  ounces of tea or  $5\frac{1}{3}$  ounces of coffee by making the coupon cover a three-week instead of a four-week period.

Sugar for home canning was distributed in the summer of 1943 on the basis of applications filed with the local ration boards (see previous report, page 61). Because the vast majority of the population applied for home canning sugar the handling of applications was a very large administrative undertaking. For the coming canning season a standard allotment of sugar will be made available in exchange for spare coupons in the regular ration book. To add flexibility to the scheme, the coupons will be exchangeable for preserves coupons so that consumers who do not wish to preserve fruits at home will be able to obtain extra quantities of jam, syrups, honey, molasses, etc. The sugar alternative on the preserves ration can be used as a supplement to the home-canning allowance by consumers who wish to preserve larger quantities of fruits at home.

## V. FOODS

The production of foods has increased greatly but total demand, from our allies, our armed forces and the civilian population has increased by an even greater amount. Local shortages of certain foods appeared during 1942, and the rationing of butter in December, 1942, and of meat in May, 1943, marked the end of a period when it had been possible to fill the expanding requirements of our allies and our armed services and also to meet practically all civilian demands for domestically produced foods. The large civilian demand created further problems of allocation and distribution during 1943 which led to the introduction of rationing for preserves and evaporated milk, and

schemes such as that for canned vegetables. In spite of rationing and certain shortages, however, civilian consumption of the principal foods is at a higher level than in pre-war years. For example, per capita civilian consumption of meats in 1943 is estimated to have been 12 per cent higher than the average of 1935-39; beef, 29 per cent higher; milk products, excluding butter, 18 per cent higher; and eggs, 24 per cent higher. Butter consumption itself was slightly lower and sugar was down 20 per cent. In terms of nutrients the civilian diet in Canada shows a considerable improvement over the pre-war years.



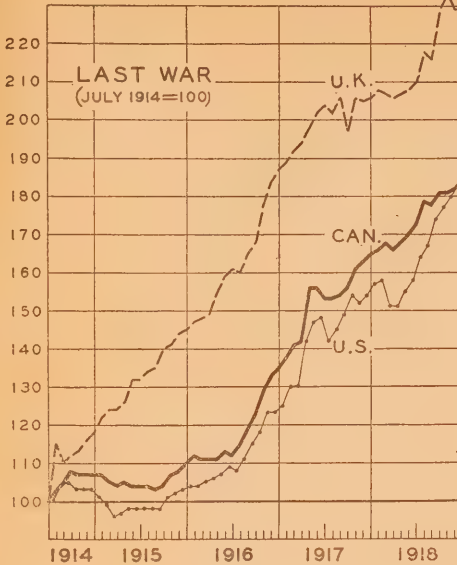
# RETAIL FOOD INDEXES IN TWO WARS

CANADA

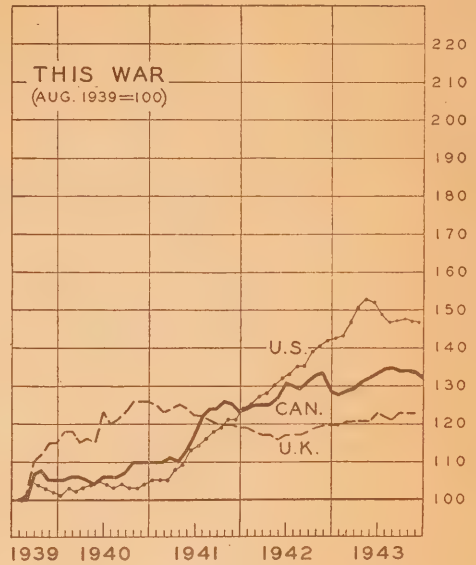
UNITED STATES

UNITED KINGDOM

PER CENT



PER CENT



The division of responsibilities between the Wartime Prices and Trade Board and the Departments of Agriculture and Fisheries was outlined in the last report (see page 16). Briefly it is as follows. The Board is responsible for food imports, for food distribution at the wholesale and retail level (including consumer rationing), and for estimating and defining, in consultation with other government departments or agencies, the overall domestic needs for foods. It has final responsibility in all matters of price. The Departments of Agriculture and of Fisheries are responsible, among other things, for seeing "that the greatest possible production is forthcoming within the price ceiling established by the Board, and if the desired production is not obtainable within established price ceilings, there is to be consultation between the Departments and the Board in considering subsidies or price adjustments". The payment of subsidies to primary producers is recommended to Council by the Departments of Agriculture or Fisheries.

With growing emphasis on problems of allocation and distribution, the Foods Administration established a Require-

ments and Allocation Division. This Division makes recommendations to the Board and through the Board to the Food Requirements Committee on the allocation of domestic food supplies to all claimants. It endeavours, in co-operation with the other government agencies concerned, to achieve a systematic balancing of different and competing claims upon supplies, and to establish, with the assistance of the Advisory Committee on Nutrition, satisfactory nutritional standards to be used as a basis for production plans and for rationing.

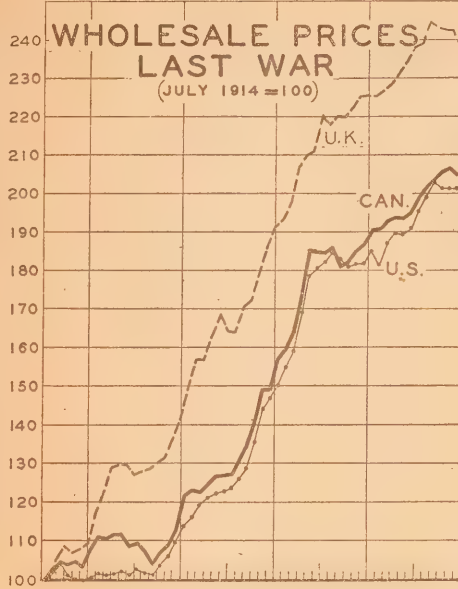
## A. MEATS

In announcing to the House of Commons that meat rationing was about to be introduced in Canada, the Minister of Finance summed up the main considerations in the following words: "The proposed meat rationing plan . . . will result in a more equitable distribution of supplies and will make it possible to increase the quantities which we can make available for shipment overseas". Reviewing meat consumption estimates for the past few years, the Minister pointed out that although per capita consumption in 1942 was about the same as in 1941, local and

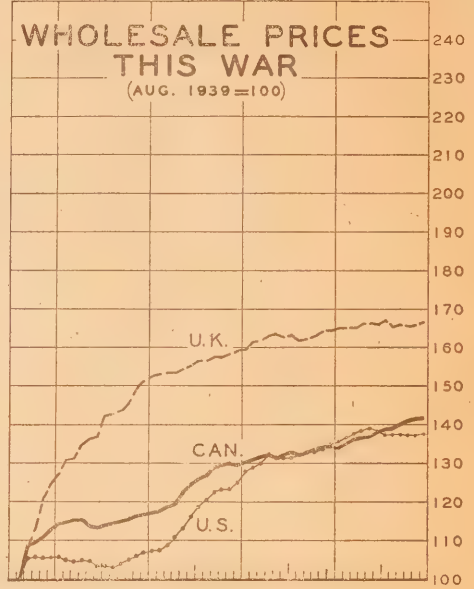
# WHOLESALE PRICES AND COST OF LIVING

## CANADA UNITED STATES UNITED KINGDOM

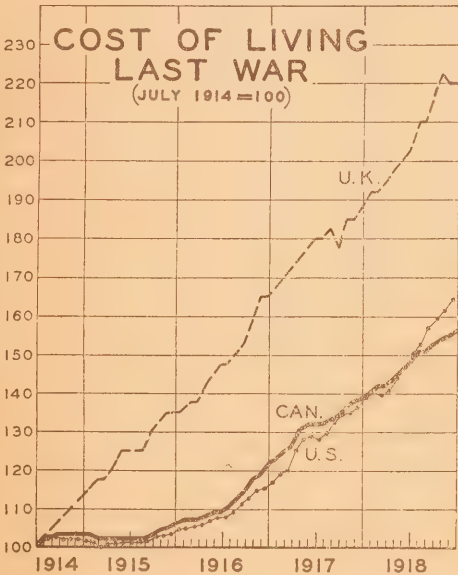
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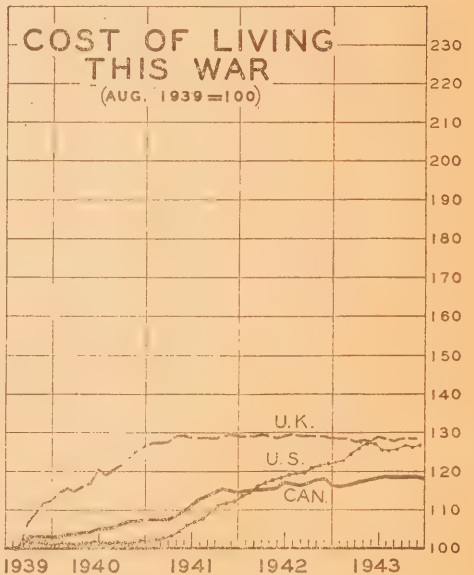
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periodic shortages had developed during 1942 as a result of greatly increased purchasing power. With potential consumer demand almost certain to be greater in 1943, but with domestic supply, after allowing for existing export commitments, no greater than in 1942 and probably somewhat less, there would be serious difficulties of equitable distribution.

Under the meat rationing system, which went into effect on May 27, 1943, every person regardless of age, is allowed two pounds (bone-in-weight) of meat per week (*see* pages 16-17). A ration allowance of two pounds of meat plus customary amounts of milk, eggs, fish and poultry are considered by the Advisory Committee on Nutrition as giving "more protein from animal sources to satisfy nutritional requirements than is required for a person of any occupation". In view of this, the Committee advised that "differential meat rationing, on the basis of occupation, is unnecessary from the viewpoint of nutrition".

To assure proper functioning of the meat rationing plan and to make available the maximum quantity of pork and beef for shipment overseas and to priority users in Canada, control of slaughter by means of permits was established. Permits were first required in January, 1943, and were freely granted as interim permits to all applicants. All interim permits were cancelled in April and permanent permits were granted to applicants who, judged by the volume of their slaughterings, carried on a regular slaughtering business in 1941. In order to procure more meat for export, monthly slaughtering quotas were established in the case of cattle by the Wartime Prices and Trade Board, and in the case of hogs by the Meat Board in the Department of Agriculture. (Hog slaughterings had previously been placed under quotas by the Bacon Board. The restriction on hog slaughterings was cancelled in October.) For identification purposes, permit holders are required to stamp all carcasses with their permit number.

The policy of the Board was to restrict slaughtering, as far as was practicable, to essential operators from the standpoint of location, volume and efficiency, but to allow farmers to slaughter without permits for consumption by their own household or for sale to neighbouring farmers. Exceptions to the requirements

for issuing permits have been made to take care of situations where strict adherence to the rule involved hardship, such as in deficiency production areas and in places inconvenient to market centres.

In addition to rationing, the past year also witnessed the development of a more specific and effective system of price control for meat, a system which largely overcame many of the problems which had proven so intractable in the earlier stages of the price ceiling. A standard pricing system for beef sold at retail was introduced and later extended to lamb and veal, replacing the former methods of markup control. The system of standard cuts upon which the new pricing method is based was also of great importance as an aid to meat rationing in that it gave greater protection to the consumer (since the retail cuts are identical for pricing purposes and coupon values), and facilitated the flow-back of coupons.

First experimental steps in this direction were taken early in 1943, when the Board fixed retail prices for the different individual cuts of beef in the Toronto and Winnipeg areas. These prices were first fixed on March 1 and continued until April 28 with appropriate revisions in line with the scheduled seasonal advance in wholesale beef prices (*see* previous report page 35). As a result of the experience gained, the standard pricing system was then extended to thirteen additional areas, all in Eastern Canada, for the period April 29 to May 26, and has been continued, with a few minor changes, since that date. On August 3, the system of standard retail cuts and prices was extended to apply throughout the Dominion. Though the seasonal schedule of ceiling prices for beef at wholesale was at the same time replaced by a fixed ceiling, it was still necessary to provide for changes in retail ceiling prices since actual wholesale prices might vary seasonally between the fixed ceiling and the floor prices established for the protection of livestock producers. Thus, in the interests of the consumer, each retailer's prices were required to vary weekly according to the actual average cost of beef of the same quality bought by him in the previous week. Retailers were supplied with price charts and attachable price strips showing the retail price of each cut appropriate to the varying average wholesale prices.

Specific retail prices were later established for veal and lamb. The new price schedule for veal, effective December 27, 1943, lists the various cuts in which veal may be sold at retail and sets out the maximum prices per pound for each cut in the 15 zones of Canada. The new price schedule for lamb issued on December 21, 1943, established retail ceiling prices for the various cuts of winterfed lamb and frozen lamb, effective during the period January 3 to June 30, 1944 (a previous order set maximum retail prices for the period October 12 to December 30, 1943). Also, new wholesale ceiling prices were established for spring lamb, and a formula set out for determining retail prices. In the case of lamb, as in that of beef, the Board has reached the conclusion that a year-round fixed ceiling for wholesale prices is preferable to a system of seasonal ceilings and has announced that such a fixed ceiling will become effective beginning July 1, 1944. While wholesale prices may vary seasonally below the fixed ceiling prices, experience has shown that a uniform and simplified wholesale price structure is more satisfactory from the viewpoint of the producer.

The introduction of meat rationing also intensified the problems of price control for unrationed meats and meat substitutes. The greater demand for such unrationed products as liver, heart, tongue, kidneys, brains and other fancy meats and by-products, exerted undue pressure on individual ceiling prices and this led to their replacement by standard prices and controlled markups.

While the system of controlling meat prices has been much improved and strengthened, average prices for the principal meats in 1943 were admittedly higher than in 1942 (*see* previous report pages 33-6). One result has been that some processors of meat have had increasing difficulty in operating under their basic period prices. This was the case in regard to manufacturers of bologna style sausage and weiners, and in August it was necessary for the Board to introduce a system of standard wholesale prices and to pay a subsidy to make unnecessary an increase in price. Producers of canned fresh beef were faced with a similar problem and since supplies of this commodity were essential for consumption in remote areas and logging and construction camps,

a subsidy is to be paid to producers who can prove their need of financial assistance.

### B. POULTRY AND EGGS

With the greatly increased demand for poultry, partly as a result of meat rationing, new retail markets developed for live poultry as a means of evading the price ceiling on dressed poultry. The Board consequently placed wholesale and retail price ceilings on chickens and fowl, with maximum prices in each province related to the prices of corresponding kinds of dressed poultry. Live turkeys, geese and ducks were brought under ceiling prices during the Christmas season.

An order issued in September was designed to permit better returns to primary producers of poultry without increasing the maximum price paid by consumers. Wholesale prices of dressed poultry were raised by 2 cents per pound and retailers' markups were reduced from 9 cents per pound to 20 per cent of the retail selling price, with a maximum of 7 cents per pound. The wholesale price structure for eggs was revised in July, and again in September, in order to secure a better regional distribution of the available supplies. Here again, the pricing orders fix a flat year-round maximum price, and seasonal fluctuations take place beneath the ceiling, though the producer is protected from undue declines by the contract price for exports to the United Kingdom which serves as a floor under prices. As in the case of poultry, the permissible retail markup on eggs has been somewhat reduced.

### C. FISH AND FISH PRODUCTS

Since meat rationing began, fish and fish products, being unrationed, have assumed a greater importance. Any action which the Board may take with respect to supply and prices is conditioned by such factors as the priority needs of the United Kingdom for certain types of fish; the effect of rising prices in United States markets (e.g. fish caught in certain areas may be sold at either Canadian or American ports); and the acute shortage of labour in the fisheries.

Shortly after the price ceiling came into effect, sales of all fish by primary producers were exempted from the ceiling, and also sales by any person, including retailers, of fresh or processed lobster, codfish, herring, haddock, smelts, mack-



erel, clams, hake, halibut and all fresh water fish. A measure of price control was introduced in January, 1943, when basic period wholesale and retail markups, limited by specified maximum markups, were made applicable to the fish previously exempted. A further step was taken when processors' maximum prices for frozen halibut on the Pacific Coast were fixed in April, 1943. Because rising prices in United States markets continued to attract practically all of the Canadian supplies of halibut, an order was issued in June requiring each processor to set aside 50 per cent of the fresh halibut which he acquired to be processed and frozen for the Canadian market. Price ceilings were also established for fresh and frozen salmon on the Atlantic Coast. In this case about 80 per cent of the supply went to the United States where higher prices prevailed, and arrangements were made to reserve the other 20 per cent for the Canadian market at lower prices.

Maximum prices were fixed in August for Atlantic Coast canned chicken haddies, finnan haddies and mackerel. Under the previous system of fixing only maximum wholesale and retail markups, their prices had been increasing gradually. In October, maximum prices were fixed for practically all Atlantic Coast fresh, frozen, filleted and cured fish. In December, 1943, ceiling prices were established for canned Atlantic herring, sardines, kippered snacks and clams sold by the trade, and for fresh Atlantic herring and sardines sold by fishermen.

When the United Kingdom has not taken all the supplies of certain types of fish as called for in the export agreement, the Board has set prices on the fish released for the Canadian market. Thus maximum prices were established in April, 1943, for Pacific Coast herring packed in tall tins. Maximum prices were set the following month for Pacific Coast canned salmon in the expectation that some of the 1943 pack would be released for sale in Canada, and subsequently when a limited supply became available canned salmon was included in the meat ration (see page 17). The canning of Atlantic Coast salmon was stimulated by the scarcity of the Pacific Coast product in the domestic market, and since there was no established basic period price, standard prices were set in August (revised in

October) on sale by canners, and maximum markups were fixed on sales at wholesale and retail.

#### D. DAIRY PRODUCTS

Problems of distribution have been particularly prominent in the sphere of dairy products. Butter rationing became necessary when increased civilian consumption began to outrun supplies and when a tendency to hoard developed toward the close of 1942. Though rationing put a limit on the civilian consumption of butter the demands on milk supplies increased further during 1943, largely as a result of rising consumption of fluid milk. By the middle of the year, it became apparent that a shortage of evaporated milk was developing. Since it was not desirable or possible in many cases to divert milk supplies from use in the making of butter and cheese and since the shortage of evaporated milk was becoming more serious, a priority sales plan for evaporated milk, designed to assure the needs of infants and other essential users, was introduced in October (for details see page 17).

The inter-relation of supplies of butter, cheese, fluid milk and concentrated milk products, all of which draw in varying degree upon primary production of whole milk, has necessitated co-ordinated supply, price and subsidy policy. With this in view, the Department of Agriculture, after consultation with the Board, adopted a production program for butter and fluid milk involving, among other measures, some increased subsidy payments to producers. In the case of butter, subsidy payments, which were transferred from the Board to the Department of Agriculture in May, 1943, were made to producers at the rate of 8 cents per pound of butterfat during the months May to December, 1943, inclusive, and the policy of supporting minimum prices of first grade creamery butter was continued.

For the low production season, January to April, 1944, inclusive, the rate of subsidy has been fixed at 10 cents per pound butterfat. With respect to milk used for fluid milk consumption, the subsidy of 25 cents per hundred pounds to producers in areas of short supply was also taken over from the Board by the Department of Agriculture. In October, this subsidy was raised in certain areas to 55 cents per hundred

pounds. On milk used in concentrated milk factories, a subsidy of 25 cents per hundred pounds was paid during March and April, 1943, and was resumed at the rate of 30 cents on October, 1943, to continue until April 30, 1944. For the latter period a subsidy of 30 cents per hundred pounds was instituted on deliveries of milk to factories making cheddar cheese. These changes in subsidies involved no change in prices of fluid milk to the consumer.

#### E. FLOUR AND BREAD

The price of wheat to the farmer is the responsibility of another government agency, the Canadian Wheat Board. The Wartime Prices and Trade Board, however, is concerned to see that any increase in wheat prices is not allowed to break the ceiling on flour, bread, etc. During the period under review prices of wheat to the farmer have risen substantially, but the Wheat Board, by means of a drawback, sells wheat to millers at prices consistent with the ceiling price on flour. A similar problem has arisen in regard to maintaining ceiling prices for rye flour, rye bread, etc.; the Wartime Prices and Trade Board has arranged a subsidy to cover the increase in the current cost of rye grain over that prevailing during the basic period.

#### F. FRESH FRUITS AND VEGETABLES

The extreme variability of supply (including quality and sizes) and costs make fresh fruits and vegetables unusually difficult to bring under effective and enforceable price control. They were therefore originally exempted from the ceiling. In a number of cases, however, prices rose to such a degree that the Board has established an increasing number of ceiling regulations, despite the administrative difficulties involved. The first such case was that of potatoes, which were brought under price control in February, 1942. Shortly afterwards, in March, 1942, a ceiling was placed on onions. Later, bananas were brought under a price ceiling because of abnormally curtailed imports, and in December, 1942, the prices of oranges were controlled and a subsidy introduced as part of the program to reduce the cost of living. Further ceilings were established for imported fruits (grapefruit and lemons) in October, 1943.

Sharp increases in the prices of Canadian grown fresh fruits in the early sum-

mer of 1943, resulting from increased demand and a short domestic crop, led the Board to impose ceilings on peaches, pears, plums, grapes and apples. The maximum prices fixed for the fresh fruits, while considerably above the previous year's level, were expected to be lower than would have been the case without control. A price structure had to be determined which would provide a reasonable return to the grower and which would distribute available supplies as equitably as possible between the different regions, without causing wastage of such highly perishable products. The problem was further complicated by the fact that there are many primary producers and that sales to consumers are normally made by growers and truckers as well as by retail stores.

Vegetable prices had also risen sharply, and at the end of October a number of fresh vegetables—carrots, cabbage, beets, parsnips and turnips—were brought under price control by an order which set maximum prices on deliveries by the grower to distributing centres, and wholesale and retail markups. Provision was made for a graduated storage and shrinkage charge to be included in the maximum price beginning December 1, 1943, increasing until the following April, and decreasing in July and August.

To ensure a reasonable supply of staple fresh fruits and vegetables, the Wartime Food Corporation was reorganized in the fall of 1943 to arrange for imports, to purchase supplies when necessary, and to control distribution, especially shipments from surplus areas to deficiency areas. (The Wartime Food Corporation was organized in May, 1942, to handle any necessary government purchasing and distribution of foods. With reorganization, direct representation on the Board of Directors has been given to primary producers and organized labour.) As a first step an Order in Council was passed placing all imports of fresh fruits and vegetables under import permit.

The potato problem in the spring and early summer of 1943 illustrates some of the problems and steps involved in controlling the prices and regulating the supply of fresh fruits and vegetables. When a shortage of potatoes began to appear in the early spring, the Board, in co-operation with the Department of Agriculture, assumed control over shipments



from the Maritimes to the shortage areas. Also, to encourage the movement of potatoes from Saskatchewan and Manitoba to northern Ontario and to the northwestern part of Quebec, a subsidy was paid covering the extra transportation costs involved. To enable imports of potatoes from the United States to be sold under ceiling prices, the Government suspended the 10 per cent war exchange tax on potatoes.

With the shortage of old potatoes the Board decided early in June that the new (1943) potatoes, which usually sell at higher prices, should be regarded as necessities and made available to consumers at the price of old potatoes. To make this possible the Board arranged for a subsidy to be paid on both domestic and imported new potatoes. The situation was relieved, and the import subsidy after July 8, 1943, was confined to shipments for which a permit had been granted by the Foods Administration. The whole subsidy arrangement on both the imported and domestic product came to an end on September 1, 1943. Another step that was necessary to combat the effects of short supply was to prohibit early in May the sale of certified seed potatoes for any use other than that of planting. In some instances seed potatoes were being used for table purposes, thereby reducing the amount of seed available for the 1943 crop. After the planting season was over the remaining seed potato stocks, which had been exempt from the price ceiling, were placed under the same ceiling as table stock.

Maximum prices and markups at which onions may be sold were established in a new order replacing previous regulations under which individual sellers' ceilings resulted in different maximum prices in many markets. Uniform shipping point prices were fixed for all parts of Canada, varied only by transportation costs from production areas. To promote uniformity of supply throughout the year and to cover storage costs and shrinkage, seasonal price adjustments are permitted on sales between December 1 and June 30. Sales of imported onions are governed by the same ceilings as the Canadian-grown product.

#### G. CANNED FRUITS AND VEGETABLES, DRIED FRUITS AND PRESERVES

Shortages of canned fruits and vegetables and preserves necessitated new dis-

tribution controls during the period under review. Greatly increased demand and the very short fruit crops of 1943 led to the introduction in September of a coupon rationing system for preserves, including jams, jellies, honey, molasses, canned fruits, and maple, corn and other syrups (for details see page 17). Enlarged demand and reduced canning crops also resulted in shortages of canned vegetables, though here for a number of reasons a system of controlled distribution rather than coupon rationing was adopted to deal with the problem (see pages 15-16).

The maintenance of price ceilings in this field involved continued and, in some cases increased, subsidy payments. Since the inception of the price ceiling a considerable subsidy has been necessary on canned fruits and vegetables. A subsidy had been paid on the remaining stock of the 1941 pack to meet a time lag problem. In 1942, uniform price ceilings were fixed for canned fruits and vegetables, and further increases in canners' costs made necessary a larger subsidy. A portion of the increased subsidy was designed to permit canners to pay growers higher prices for raw vegetables than were paid in 1941. In connection with the 1943 crop, the Department of Agriculture took over the responsibility for carrying on this portion of the subsidy, and announced further payments to growers to encourage production. The Board is paying a subsidy on the 1943 pack at the same rates as in 1942 (less the portion now paid by the Department of Agriculture), except in the case of tomatoes and tomato juice on which a higher subsidy, designed as a production incentive, is being paid.

Additional subsidy arrangements were made to help processors to secure fresh fruit for canning and preserving in the face of substantially higher prices. Jam and jelly, which were formerly subsidized under the groceries scheme to cover the time lag problem, were brought under a new subsidy arrangement following the standardization of jam and jelly prices in June, 1943.

With the setting of maximum prices for the 1943 crop of maple syrup, processors required a subsidy to enable them to pay minimum prices for the primary product at a level of 18 cents per pound for fancy grade. (Bottled maple syrup was formerly included in the groceries subsidy scheme.) The Commodity Prices Stabilization Cor-

poration collects a surcharge on exports of maple syrup and sugar, the proceeds of which are offset against subsidy payments.

The Board continues to bulk purchase Canada's total requirements of dried fruits from Australia and California, in accordance with allocations made by the Combined Food Board. Dried fruits are under a plan of allocation where the needs of the armed forces and civilians of the various United Nations are taken into consideration in arriving at an equitable distribution of supplies. Dried figs and pears have been added to the list of raisins and currants, peaches, apricots and prunes already being purchased.

#### H. GROCERIES

Improved shipping conditions made it possible to increase the tea and coffee ration in September, 1943. Some additional sugar can also be obtained by the consuming public, but only as an alternative to the purchase of preserves under the ration. Beginning October 1, 1943, the quotas of industrial users of sugar, except wine manufacturers, were raised from 70 per cent to 80 per cent of 1941 usage.

A number of items have been removed from the schedule to Board Order 116, which lists the groceries on which subsidy has been paid to meet the time lag problem which arose when the ceiling was imposed. These are maple products, spices, jam and jelly, macaroni products and table salt. New subsidy arrangements have been made as noted above for maple products and jam and jelly. The chief spices are bulk purchased and sold at prices appropriate to the ceiling. Price adjustments and standardization have made unnecessary subsidy payments on macaroni products. Experience proved that the difference in the price of table salt between the basic period and June, 1941, was so slight that it was no longer necessary to provide for any subsidy.

Soap and cooking oil are still subject to the price provisions of Board Order 116, but are now subsidized on the special basis described below.

#### I. OILS AND FATS

Close supervision over industries producing or consuming oils and fats became necessary when war in the Pacific and a critical shipping situation threatened supplies. Production of vegetable, animal and fish oils in Canada was stimulated, and various conservation measures, such as recovery of animal fats at packing plants, were introduced to maintain adequate civilian supplies. In the case of imports, which normally account for nearly half of Canada's oils and fats requirements, government bulk purchasing has been necessary. To encourage domestic production and also to help maintain basic period retail prices subsidies have been paid in certain cases to offset increased costs.

The bulk purchasing of oils and fats is controlled by international agreement. Off-shore oils and fats are purchased by the Corporation through the U.S. Commercial Company; oils produced in the United States are bought by the trade on the open market, but are subject to import control.

Prices of domestic oils and fats increased in late 1941 to such an extent that manufacturers of soap and shortening found it impossible to operate under their June, 1941, ceiling despite assistance under the grocery subsidy and the general import policy. A plan of assistance in which participation is voluntary was developed, which resulted in the Corporation taking over inventories as of December 31, 1942, and assuming forward commitments. Oils and fats are sold to the industry at appropriate prices and direct importations and domestic purchases are adjusted by subsidy to the same level. Oils supplied by the Corporation to firms not participating in the arrangement are sold at cost.

#### VI. FARM EQUIPMENT AND SUPPLIES

The need for increasing agricultural production to the utmost and the scarcity of farm labour have together greatly enhanced the importance of farm machinery, feeds and other supplies. Shortages of raw materials, however, have invaded every sector of this field; metal for implements, chemical and mineral products

for feeds, fertilizers and pesticides, sisal fibre for bindertwine and hemp for rope, gasoline, tires and trucks for deliveries, are all in short supply. Many steps have therefore been necessary to procure essential supplies of these goods, to distribute them where they are most urgently required, and to keep down their cost.



### A. FARM MACHINERY

The rationing of new farm machinery has been in operation since October, 1942. In July, 1943, production and import quotas for farm machinery and equipment were raised substantially, quotas being on the average set about 130 per cent higher than previously. The new arrangement provided for a supply of farm machinery equal in tonnage to approximately 77 per cent of the average of the 1940-41 output. The quotas for certain items, such as milking machines and haying equipment, were given particularly large increases in recognition of the emphasis on dairy products and livestock in the war food program. As a result of increased production under the new quotas, a variety of articles such as hand operated and small horse-drawn implements, and certain types of pumps, were removed from the list of rationed farm machinery and equipment.

### B. FEEDS

Various measures were taken by the Board and the Department of Agriculture to distribute as fairly as possible the available supplies of high protein and mineral feeds. In commercial mixed mineral feeds, for example, the maximum and minimum contents and proportions of calcium, phosphorous and salt, have been regulated and the number of brands limited. The protein content of commercial mixed feeds has also been reduced, and the use of certain scarce ingredients prohibited in all but the most essential feed mixtures. In many cases protein sources such as oil-cake meal, fish-cake meal, or ground gluten are being allocated on the basis of the distribution pattern existing in 1941. Feed dealers have been encouraged to use oilcake meal more extensively in dairy, hog and poultry feeds rather than placing it on the market as oil-cake meal, thus achieving more efficient use and better distribution of this high protein product.

The shortage of feeds has necessitated various subsidy arrangements and bulk purchasing activities. A domestic subsidy is payable to operators of fish meal plants on the east and west coasts to ensure maximum production; import subsidy formulas have been worked out on cottonseed and soya bean meal; and the Commodity Prices Stabilization Corporation is bulk purchasing a number of protein

meals and has arranged for the crushing of imports of copra and the sale of copra cake or meal, one of the joint products of crushing.

In November, 1943, ceiling prices were set on hay grown and sold in the Prairie Provinces and in British Columbia. Rapidly rising prices had caused considerable concern to dairy farmers and other livestock producers, particularly in British Columbia, and had threatened the price ceiling structure on fluid milk. Rising prices had also threatened the ceilings on a number of commercial livestock and poultry feeds based on alfalfa hay and similar products.

### C. FERTILIZERS

Canada's share of fertilizer materials, allocated to her by the Combined Food Board, is distributed in Canada to the various areas and to the different crops according to their relative importance to the war food program. To conserve potash supplies, the potash content of certain mixed fertilizers has been reduced and in others has been eliminated; and to compensate for the reduction in potash content ceiling prices have been lowered. With a more liberal supply of nitrogen and phosphate, the manufacture of mixed fertilizers containing only these two chemicals has been resumed. The system of zoned distribution, introduced early in 1943 as an economy measure, under which fertilizer manufacturers were zoned to supply the territory nearest their plants, saved cross hauling and additional freight costs and is being continued for 1944 without much change. Domestic and import subsidies to equalize and hold down costs to eastern manufacturers and distributors of fertilizers are still being paid (*see previous report, page 26*).

### D. BINDERTWINE

An unexpected shortage of supplies made it necessary for Canada to give up her allotment of African sisal fibre for the manufacture of bindertwine, since all that was available was required for rope for essential war uses. It was proposed to substitute Mexican fibre and a cotton yarn filler, involving a reduction in the length of the twine, a higher subsidy cost on the Mexican fibre and a heavy trading loss on the cotton yarn. However, the quantity of cotton yarn available fell far short of requirements, for supplies in the United States were absorbed in twine

manufacture and in a multiplicity of other uses. It, therefore, became necessary to substitute jute for cotton yarn for the 1944 season. While it is expected that the subsidy cost of the jute will be less than that of cotton yarn, it will still be heavy.

#### E. CONTAINERS

Subsidy and bulk purchase arrangements have been made in respect of containers for farm products, notably bagging materials. Assistance has also been provided in the case of cheese boxes, butter boxes, fruit and vegetable containers, baskets and barrels (*see* Chapter IX).

#### F. TRUCKING RESTRICTIONS

The 35-mile limit for private trucks and other restrictions on the operations of commercial vehicles (*see* previous report, page 53) continued to apply in the period under review. By greatly reducing duplication of trucking facilities and promoting the most efficient use of available equipment, these restrictions have resulted in a considerable saving in trucks, gasoline and rubber; the need to conserve these items remains urgent.

The 35-mile limit has produced economies in the transportation of farm produce and poultry. Dealers who collect

produce from the farms in small trucks carrying relatively light loads now combine these loads into larger lots for shipment to a central market by public motor transport or rail, whereas formerly they used their private trucks for this long haul. This arrangement prolongs the life of the trucks used for these essential collection services, and has been adequate to distribute agricultural products satisfactorily.

An order early in 1943 established a permit system to control the transportation by truck of unprocessed and unbottled milk and cream mainly from the producer to fluid milk markets, creameries, cheese factories and condenseries. Under this arrangement considerable truck mileage has been saved through pooling of deliveries, reorganization of delivery routes, and zoning of deliveries to creameries. Zoning systems are worked out on a provincial basis in co-operation with regional advisory committees. For example in Saskatchewan, where a zoning plan for deliveries to creameries has been operative since May 1, over 2,000,000 truck miles per year have been saved. Zoning plans do not affect farmers hauling their own milk or cream or shipping it by rail, and therefore do not tie producers to a particular plant.

### VII. APPAREL

The following account of the Board's activities in the field of clothing and footwear covers only those activities performed through formal negotiations, rulings and orders. An equally important sector has been omitted because it does not lend itself to description in a report of this type; it is the informal day-to-day activities of the administrators and other Board personnel in dealing with countless small problems and bottlenecks at early stages before they become serious enough to require formal action.

#### A. COTTON YARN AND CLOTH

In the primary cotton field there have been two outstanding developments. The first was the re-negotiation of Canada's yarn supply arrangements with the United Kingdom and the switching of large cotton fabric requirements from the United Kingdom to the United States. Canada is heavily dependent on the

United Kingdom for many kinds of cotton yarns not obtainable elsewhere, and this source of supply was maintained. In the fabric field, however, an arrangement was made in July, 1943, between British and Canadian authorities providing that Canadian imports of British fabrics would henceforth be cut down to about 675,000 pounds of fabric per annum as compared with previous annual imports of around five to ten million pounds. The transfer of these Canadian fabric requirements to the United States has involved much work in the Textile and Clothing Co-ordination in arranging new sources of supply in that country to fill the important gaps left in Canadian supplies. Solution of this and other textile problems has been rendered much easier by the co-operative assistance of the Canadian Division of the United States War Production Board, and also of the Textile, Clothing and Leather Division.



The second outstanding development in the primary cotton field came in December with the announcement that, as from January 1, 1944, Canada will be assured that her requirements of woven cotton fabrics which are approved by the Textile Requirements Committee of the War Production Board will be procurable; heretofore Canadian requirements in the United States, as approved by the Committee, were used in programming American production but their delivery was not guaranteed. To obtain the necessary preference ratings for procurement of cotton textiles in the United States and to give the Wartime Prices and Trade Board control over the type and distribution of these imports, Canadian importers must now submit to the Cotton Administrator information as to their requirements. After these have been adjusted to the quarterly allocation, "preference ratings" are granted through the Canadian Division of the War Production Board on the advice of the Cotton Administrator.

Great difficulty has been encountered in obtaining cotton yarns, especially for the knitting industry, from the United States. It has been necessary for the Cotton Administrator to sponsor procurement of these and, in some cases, to have the orders given preference ratings by the War Production Board Textile Division at Washington. Arrangements have been made to bulk purchase large quantities of knitting yarns. Bulk purchases of fabrics in the United States during 1943 amounted to about 37 per cent of Canada's total fabric purchases in that country and have consisted chiefly of staple lines such as work clothing fabrics and bag fabrics. Bulk purchasing was called for in both yarns and fabrics not only because import subsidies were usually required, but also because central buying, sometimes by a government agency, was necessary to obtain priority consideration and to purchase cloths in sufficient quantities.

The Cotton Administration has devoted much attention during the year to production as well as to procurement of certain essential fabrics in short supply such as bag cloths, work clothing fabrics and flannelette. In the case of flannelette, imports were obtained from the United Kingdom and the United States, while domestic production was maintained at a high level and in October, 1943, previous restrictions on production for certain

uses were supplemented by instructions to the distributive trades to concentrate purchases and distribution on diaper flannelette.

#### B. WOOL YARN AND CLOTH

In the primary wool field the problems of procuring wool yarn and cloth abroad have naturally occupied much of the attention of the Wool Administration. In view of the obscure military situation in the Pacific, the Canadian Wool Board has continued to import large amounts of raw wool from Australia and New Zealand for emergency stock pile purposes. Purchase of yarn in the United Kingdom has been effected during 1943 entirely by bulk purchase by the Canadian Wool Board, thus obtaining our quota at moderate prices and using it for the purchase of the most essential lines. A considerable part of our fabric imports have been bulk purchased by the Canadian Wool Board to assure the supply of critical items. Bulk purchased yarn and fabric have been sold at prices appropriate to ceiling levels and have been directed to manufacturers producing the most essential garments.

Fabric production in domestic mills in 1943 reached the highest level in the history of the industry. During the latter part of the year a decline in military contracts made possible some increase in production of civilian cloth, although labour shortages prevented this from being as great as had been hoped. A serious shortage of spinning facilities continues, and in October, 1943, an administrator's order extended the licensing procedure already covering production of civilian wool cloth to the manufacture of all yarns sold to the weaving or machine knitting trades. It is hoped that analysis of production trends will enable the administration to break this bottleneck by informal action, but the licensing procedure will facilitate control should it become necessary. The cloth licensing plan has been considerably improved and now covers construction, price and quantity of each item to be made in every Canadian mill.

#### C. CLOTHING

Efforts by the Board to assure a supply of fabrics and yarns from foreign and domestic sources, and economies arising from the simplification program, have prevented widespread shortages of finished garments. However, labour shortages

have developed in some branches of the garment industry and unfortunately have often affected production of items, such as infants' and children's wear and work clothing, which are already in unusually heavy demand. One of the most difficult situations has been in the knit goods industry, where the impact of military demand has been particularly great. In addition to obtaining the higher labour priorities mentioned below and arranging for greater supplies of yarn from abroad and from the domestic cotton industry, the Board introduced a comprehensive program of planned production of winter underwear of all types in the autumn of 1943. Production quotas were set for each knitter. The fall and winter production season, which normally terminates in November, has been extended to February 28, 1944, and the deficiency in knitted summer underwear thus caused is being met by increased production of fabric underwear under direction of the Administrator of Men's and Boys' Furnishings. Monthly reports of production are furnished to administrators.

A similar shortage has occurred in the case of children's fabric garments, where a large increase in demand has coincided with loss of labour in the trade. Raising the labour priority in October, 1943, served to diminish loss of male labour and to provide additional labour. In the same month the Board established production quotas for each manufacturer of essential types of children's garments based on past performance and immediate productive capacity. The administrator assists firms in obtaining labour and materials. Monthly reports of production have been established to measure the progress of each firm. In addition to issuing such formal directives administrators have acted informally in stimulating production of needed garments and have assured materials and labour for the purpose.

The important program of simplification and conservation described in the previous report (page 48) was virtually completed by March, 1943. In fact, it has recently proved possible to remove certain restrictions, such as those on cuffs on trousers, and two-pant suits. When these restrictions were imposed the Board realized that both cuffs and two pairs of trousers have a long term economy value, but the low stocks and the serious threats to our supply lines made

it necessary to sacrifice long term benefits to the exigencies of the short term position and to take all possible steps to conserve our existing supplies. The improved supply position has now made it possible to remove these particular restrictions. Those restrictions which have no effect on usefulness, such as limitations on style features, have been retained.

Existing provisions for the pricing of goods not marketed during the basic period (see pages 8-9, also previous report, pages 42-3) have been strengthened, in the case of work clothing, men's and boys' furnishings and women's coats and suits, to deal with the increasing number of new lines. Manufacturers of these lines are now required to label garments with their style number and either their firm name or licence number so that a check is provided on adherence to the specifications and prices approved by the administrator.

#### D. LABOUR

Throughout the year labour scarcities in the primary textile field (spinning, weaving and knitting) and in certain secondary (garment manufacturing) industries have required positive action by National Selective Service on the basis of representations by the Board. Requests to National Selective Service have been made in many individual cases to obtain the necessary labour for individual establishments and a number of important broad labour procurement programs have been undertaken on behalf of whole sections of the industry. Efforts have been made to anticipate labour requirements in these industries so as to minimize labour shortages which might result in production falling below an essential level.

In May, 1943, the Board arranged with National Selective Service for a directive to local employment offices to give special attention to the requirements of the work clothing industry. This has been effective in restoring to a major extent the production of essential work garments. In August, female labour in the spinning, weaving and knit goods industries was raised in a number of designated establishments to "A" priority, hitherto generally reserved for direct war industries. A higher labour priority was also assigned to males in the knit goods industry, thus bringing them under the labour "freezing" order. Concurrently,



a special drive, instituted jointly by National Selective Service, the Primary Textiles Institute and the Board developed increased use of female labour on both a full-time and part-time basis.

In September, an examination of the children's garment industry indicated a serious labour shortage. A survey was made and some fifty establishments, wholly or largely engaged in manufacturing these products, were given a National Selective Service labour priority which "froze" male employees and placed these firms in a more advantageous position in obtaining female help. Further plans to improve the labour position were under way at the end of the year. In December, a greatly increased production program was established to meet the requirements of heavy socks for the armed services and for essential civilian supply. This required additional labour to run the mills at maximum capacity, and National Selective Service provided a number of establishments in this trade with labour priorities equal to that enjoyed by direct war industries.

#### E. FOOTWEAR

The supply of children's footwear has been the most difficult problem in this field. While scattered shortages occurred earlier, they became widespread only in the last six to eight months of 1943, as inventories became impaired owing to

unusually heavy demand and difficulty in procuring the necessary labour to maintain maximum production. In an effort to meet the problem the Administrator of Footwear issued, on November 5, production directives to the principal manufacturers of juvenile footwear requiring them to manufacture during the year beginning December 18, 1943, a quantity of juvenile shoes calculated to meet essential requirements. Measures are being taken by the Footwear and Hides and Leather Administrations to assure supplies of raw materials, and, at the request of the Board, National Selective Service is giving special attention to the labour requirements of these manufacturers. The planning and organization of domestic production of civilian and military footwear has been greatly aided by the activities of the National Textile and Leather Requirements Committee (see page 11).

In the international sphere, a Combined Footwear, Leather and Hides Committee was established in September, 1943, under the Combined Production and Resources Board and the Combined Raw Materials Board, to study United Nations supplies and requirements and to allocate supplies. Members of the staff of the Wartime Prices and Trade Board are members of the Committee and participate actively in its deliberations.

### VIII. FUELS

#### A. COAL

The division of responsibility for matters concerning the price and the supply of coal as between the Wartime Prices and Trade Board and the Department of Munitions and Supply was clarified just prior to the period under review. A number of functions formerly exercised by the Coal Administrator of the Board were transferred to the Coal Controller in the Department of Munitions and Supply, and the Dominion Fuel Board and the Emergency Coal Production Board were also placed under the jurisdiction of the Department of Munitions and Supply. The Coal Controller, together with these Boards, became responsible for maintaining and stimulating the production of coal, coke and wood fuel and supervising,

controlling and regulating their supply, distribution, transportation, storage and allocation. The control of prices remains, however, the responsibility of the Wartime Prices and Trade Board, and in that respect the Coal Controller has been appointed the Coal Administrator of the Board.

Coal requirements for industry, transportation and domestic use continued at a high level during 1943, while the problems of both supply and cost were accentuated by labour difficulties and wage increases in Canada and the United States. The measures taken directly to alleviate supply do not fall within the scope of this report, but as a result of rising costs various actions by the Board became necessary. While imported coal for household

use was already eligible for subsidy under the general policy of the Board, the definition of coal classed as "consumer goods" and so eligible for subsidy was extended on April 12, 1943, to include fuel supplies to duplexes, apartment houses, stores, theatres and office buildings.

In Toronto special measures were required. After a careful study of distributors' margins and the cost of distributing coal, the Board came to the conclusion that the retail price of coal in Toronto was unduly depressed and that a continuation of that condition would endanger the distribution of coal. A price increase of 25 cents per ton was therefore permitted, effective May 18, 1943, together with a charge of 50 cents per ton for bagging.

At the beginning of the winter, following a strike in the western Canadian coal field, wage increases of \$1 per day and holidays with pay were granted by a Royal Commission to the coal miners of Alberta and British Columbia, and substantial increases in remuneration were soon afterwards granted by the National War Labour Board to coal miners in Saskatchewan and Nova Scotia. As the mine operators were not themselves in a financial position to meet these higher costs of production, the Government authorized an increase in the price of domestic coal and directed the Wartime Prices and Trade Board to determine the amount of the increase necessary.

In explaining the reasons for authorizing higher prices to cover wage increases in Canada while meeting higher import costs by means of subsidy, the Minister of Finance emphasized the fact that a policy of subsidizing wage increases in Canada would provide too easy a way of acceding to demands for higher wages, and would invite further severe pressures for upward adjustments in wage rates, while concealing by disbursements from the public treasury the inescapable fact that the people of Canada must pay the higher wage rates. It is, on the other hand, an established principle that increases in the cost of essential imports shall be offset by the payment of subsidies or remission of taxes wherever that is necessary to preserve the price ceiling. Price

increases outside Canada and the causes of them, are beyond Canadian control and if such increases on products that have to be imported are to be prevented from breaking the price ceiling, there is no choice but to pay import subsidies. The Minister, furthermore, showed that users of imported coal have in fact suffered greater increases in price since the beginning of the war than users of Canadian coal, even when the recent increase is taken into account.

#### B. WOOD FUEL

As a mean of maintaining domestic fuel supplies and supplementing the actions described on pages 54 and 55 of the previous report, the Minister of Munitions and Supply had announced on March 4, 1943, a subsidy of \$1 a cord, and also a subsidy to cover abnormal transportation costs, the administration and payment of which were soon afterwards transferred to the Commodity Prices Stabilization Corporation.

As this subsidy was later found to be inadequate in certain regions, the Corporation was authorized to pay an additional subsidy or bonus where in the judgment of the Controller such an addition is necessary to get the required quantity of wood fuel cut and hauled.

#### C. PETROLEUM PRODUCTS

The Commodity Prices Stabilization Corporation has continued to pay subsidy on petroleum imported by tanker into Eastern Canada (*see* previous report, pages 28-9), although the rate of subsidy has been substantially lowered as a result of lessened submarine risks and a consequent reduction in abnormal insurance and transportation costs, including a reduction in the United States War Shipping Administration surcharge over basic cargo rates. Subsidy refunds due from the armed services are being received.

To relieve difficulties over the price of petroleum products in British Columbia, the war exchange tax was removed, effective July 1, 1943, on crude petroleum and certain petroleum products, when imported by tanker into British Columbia by refiners to refine in their own factories (*see* Appendix H-2).



## IX. WOOD AND PAPER PRODUCTS

The wood cut of Canada may be divided into three major categories; lumber, pulpwood and fuelwood. This chapter deals with lumber, pulpwood and their products; while fuelwood is discussed in the chapter on fuels. The three industries are, however, closely related since they compete for the same pool of labour and the basic problem—shortage of labour for wood cutting operations—is common to all three.

Logging and pulpwood cutting require active men of the type recruited by the armed services in large numbers. They are highly seasonal occupations, particularly in Eastern and Central Canada, being carried on in the late fall and winter—the off season for employment in farming and construction. In wartime the attraction of steady employment at relatively high wages in munitions industries and on wartime construction projects has been strong.

One of the results of this labour shortage has been a decline in output since 1941, in the face of a greatly expanded demand for lumber and for various products based on pulp. In addition, it has resulted in rising wages and the employment of less efficient labour, a factor of great importance, since in lumbering and pulpwood cutting labour costs form an abnormally large proportion of total costs. In many of the industries based on lumber and pulpwood, rising labour costs have been aggravated by increased unit overhead costs due to decreased output. Lumbering, pulpwood, and the industries based on them have, therefore, been faced with both shortages of raw material and considerable pressure on costs.

In recent months there has, however, been some easing of the labour shortage, with the employment of prisoners of war in lumbering, and government efforts to increase the supply of seasonal labour (see page 35).

### A. LUMBER AND WOOD PRODUCTS

#### *Price Problems*

Earlier price adjustments and subsidy arrangements have a direct bearing on the changes in the price and subsidy

structure that took place during the period under review. Most of these price adjustments affected softwood lumber only; maximum prices of hardwood lumber, which represents only about 10 per cent of total output, were raised just once, in October, 1942, though the tendency of the prices of smaller mills to move upwards toward the maximum has created difficult problems in the civilian industries using hardwood.

Maximum manufacturers' prices of softwood lumber were increased in September, 1942. Since then no change in eastern lumber prices occurred until August, 1943, but prices of western softwood lumber were raised in March, 1943, when, owing to the critical shortage of lumber in the West, its export from the Prairie Provinces and the interior of British Columbia to the United States was prohibited. These exports had been an important source of revenue to western producers, since United States prices were considerably above the Canadian level and the Canadian price structure for lumber was based on selling part of the cut at the higher United States prices. The loss of this market, the expectation of rising overhead costs with declining production, and increases in other costs were the reasons for price increases granted to manufacturers in Northern British Columbia, southern interior British Columbia and the Prairie area. In order to maintain ceiling prices on retail sales a subsidy was arranged to cover the price increases authorized in March, 1943, payable to retailers of this western lumber. In June, 1943, an increase in the price of British Columbia coastal lumber and lath was authorized, and at the same time a subsidy was arranged payable to producers who continued to sell at the prices previously in force. In addition, a subsidy on shingles sold in the Canadian market was payable from January 1, 1943, to British Columbia coastal producers designated by the administrator as conforming to his requirements.

The price and subsidy structure was revised in August and September, 1943, to permit the application throughout

Canada of a single subsidy system, the original western system being unsuited to eastern conditions. Further, much of the lumber sold at retail is for defence or other purposes, which do not require subsidy. Lumber subsidies paid to producers and retailers in the West were therefore cancelled, and price increases by producers and retailers authorized. To prevent the increase in retail prices from creating pressure on the cost of living, individual civilian consumers are compensated on the following basis: retailers give to consumers a discount at a rate to be determined from time to time by the administrator and at present fixed at 10 per cent of invoice value, and then claim reimbursements from the Commodity Prices Stabilization Corporation. The final consumers who are eligible for the discount are defined as: farmers, fishermen, growers of fruit and vegetables, trappers, and other civilian users, who purchase lumber from time to time for use in the pursuit of their personal trade or occupation, for maintenance and repair purposes, or for use in assisting the primary production of essential foods. They may claim the discount on purchases valued (before subsidy) at more than \$10, but for purchases valued at \$200 or more the Timber Administrator's prior approval is required. The subsidy is not paid on sales to industrial users and contractors and on lumber for the building or improvement of dwellings.

Concurrently with the revision of the price structure a second set of increases in the prices of eastern softwood lumber and shingles had to be granted. Prices of white pine and red pine lumber were increased in August, 1943, and in October a price increase was authorized in the spruce group. Also in October western producers and retailers of softwood lumber were granted further price increases. These were regarded as final adjustments and the Timber Administrator announced that no further increases in lumber prices would be permitted; additional concessions would have serious effects on the prices of manufactured goods and would only lead to a further inflation of the wage bill of lumber and related industries.

The price problems arising from increasing raw material costs in the industries using lumber were dealt with in accordance with the principles outlined in the chapter on price policy. The fol-

lowing examples show the principal lines of approach: fruit and vegetable containers and apple barrels were subsidized to the extent necessary to permit manufacturers to continue producing and selling to growers during 1943 at the prices in effect in 1942. Similar subsidies were arranged for tight cooperage (barrels, kegs and kits), nail kegs and powdered milk barrels, cheese boxes, oars and, on the basis of individual needs, a number of other types of woodenware. In the furniture industry, increasing costs were due to the substitution of hardwood for metal and the increasing costs of hardwood production; when it recently became possible, owing to improved supplies, to relax restrictions on the use of metal, costs were reduced. In the case of clothes pins the Board has permitted a small increase in the retail price (see page 7). In a large number of cases increased lumber costs have, of course, been absorbed by the industries concerned, and no action by the Board has been required.

#### *Supply Problems*

While demand has increased, the production of lumber has decreased from 4,941 million board feet in 1941 to 4,640 in 1943. Production in 1944 is estimated at 4,350 million board feet. The figure for 1943 is in excess of original estimates and reflects the many steps taken during the year to increase the labour force in the woods. Exports have declined from 2,300 million board feet in 1941 to 1,900 in 1943, while domestic consumption, including military requirements, is practically unchanged.

The supply of lumber is the responsibility of the Department of Munitions and Supply, but the Board is responsible for the supply of civilian goods based on lumber. Decreased production and high military and export requirements have created serious problems in the civilian field. In a number of cases the Board has bulk purchased articles that would otherwise not have been available to the civilian economy. For example, a quantity of pitwood originally intended for export to the United Kingdom could not be shipped and was subsidized by the Commodity Prices Stabilization Corporation for sale as pulpwood. The Corporation is bulk purchasing basket bottoms and fibreboard for cheese boxes in order to ensure adequate production.



There has been little scope for conservation measures aiming at a reduction in the amount of wood used in various products. For the most part the tendency has been in the opposite direction, wood being substituted for metal in various machines and durable goods. Recently, however, improved supplies of certain metals have made it possible to substitute metal for wood in a number of cases. The increase in metal quotas for furniture (*see* page 39) will release some hardwood lumber and fibre-board. An order passed in December, 1943, rescinds the requirement that certain parts of commercial laundry machines and dry cleaning machines be made of wood. Other orders removing restrictions on the use of metal are discussed in Chapter X, and in many cases the result will be to reduce the requirements for lumber.

#### B. PULP AND PAPER

##### *Supply Problems*

Canada and Newfoundland are the chief exporters of wood pulp and newsprint among the United Nations. Britain and the United States as well as other allied nations are dependent on Canadian supplies to a great extent and Canadian newsprint is used by the allied forces overseas and for allied propaganda in Europe. While future requirements for these war purposes cannot be precisely foreseen, they will undoubtedly increase as the military campaign in Europe develops and further areas are liberated.

In view of the international significance of pulpwood, pulp and newsprint, a Pulp and Paper Committee was set up jointly by the Combined Production and Resources Board and the Combined Raw Materials Board, in August, 1943. The Committee consists of three members representing the United States, Canada, and Great Britain and its function is "to ascertain and report in correlated form the facts concerning the requirements and supplies, uses, production and distribution of products of the pulp and paper industries of the United States, Canada, and the United Kingdom". The actual regulation of exports of pulpwood, pulp and newsprint to the United States is a matter of close co-operation between the Wartime Prices and Trade Board in Canada and the War Production Board and Office of Price Administration in the United States.

The shortage of labour in the woods has been reflected in a progressive deterioration in the supply of newsprint and other pulp products. At the end of September it was clear that, in addition to stocks being at a dangerously low level and an increase in overseas export requirements being expected, the outlook for future supplies was not encouraging. Action was therefore required both to increase production and to restrict consumption. Steps were taken to increase the labour force in the woods by the granting of B labour priority rating to pulpwood cutting. National Selective Service conducted an intensive publicity campaign to induce farmers to go into the woods for the winter, and Selective Service offices co-operated with the Department of Agriculture, Provincial authorities, municipalities, local parish committees and agricultural bodies to secure as many men as possible for work in the forests. Other measures included permission to pulp and paper companies to employ their own labour canvassers, and the employment of prisoners of war. At the consumption end, the Board took steps to reduce Canadian requirements of wood pulp to a minimum (*see* below), and the supply of wood pulp for newsprint, the most important pulp product, was extended by the use of clay filler, waste paper, etc.

As a result of these measures it was possible in December to set production quotas for the first six months of 1944 higher than would have been considered possible a few months earlier. Newsprint production will be at a monthly rate of 252,900 tons, of which 200,000 tons will be available for the United States, 37,500 tons for export overseas and 15,400 tons for Canadian consumption. This means that exports to the United States, although lower by 10,000 tons per month than in the last six months of 1943, will still be 9 per cent above the level of newsprint exports in 1939 and 5 per cent above the average for the years 1935-9. Consumption of newsprint in Canada will be cut by 600 tons per month as compared with the last six months of 1943, and overseas shipments will be increased by 7,500 tons per month in accordance with a recommendation of the Combined Pulp and Paper Committee that such increases are essential. Wood pulp exports to the United States will be at an annual rate

of 1,100,000 tons for the first six months of 1944. This is 180,000 tons less than shipments in 1943 but is higher by 88 per cent than average annual shipments in the pre-war period 1935-9. Canada has thus been enabled throughout the war to fulfill her commitments to the United States and to maintain the agreed volume of shipments of pulp, newsprint, and pulpwood, which have been consistently and substantially above the pre-war level.

Among the steps taken to reduce the domestic consumption of pulp was an extensive paper conservation campaign. The Department of National War Services has conducted salvage drives for waste paper, which is bought by War-time Salvage Limited, an associated company of the Wartime Prices and Trade Board. More formal measures taken by the Board to restrict the manufacture and use of paper have been three kinds—registration of manufacturers, manufacturing restrictions, and restrictions on the end use of paper products.

Orders issued in November required manufacturers in the wood pulp industry and all industries based on wood pulp to register with their respective administrators. As a condition of the licences issued to these manufacturers by the Board, administrators are empowered to control the kinds, sizes, qualities, quantities, etc., of the products, and manufacturers are required to submit reports on production and orders. These arrangements will enable administrators to obtain accurate information about the supply situation and to take any steps necessary to ensure that essential requirements are met first.

Restrictions on the manufacture of paper and fibre products, introduced in the first half of the period under review, had the general object of reducing the variety of products and eliminating non-essential operations, thus securing longer production runs and saving labour. Orders issued during this period simplified the production of book, writing and specialty papers, greeting cards, wrapping paper, cashier pads, facial tissues, paper board cartons and solid fibreboard and corrugated shipping cartons. To a considerable extent they represented formal statements of arrangements that had previously been in force on a voluntary basis.

In the last three months of the year shortage of raw material became an in-

creasingly important factor. Most of the restrictions that had previously been introduced had had some effect in stretching the available supply of raw material, but they were now strengthened and amplified, and were augmented by additional restrictions specially designed to save materials. For example, the standard specifications for the production of book, writing and specialty papers were revised to lower the maximum permitted weights. Similarly weight restrictions were introduced in the production of a number of converted paper products not previously restricted in this way. The manufacture of certain types of cartons and shipping cases was prohibited.

The need for conservation led to restrictions on the end use of paper products. The system of quota rationing of newsprint that had been in force for newspapers and periodicals since January, 1943, was extended in July to a number of other publications similar to newspapers or periodicals. An order issued in November restricted the kinds of printed matter that may be used in business without special permission and required business units, obtaining annually more than 5 tons in weight or \$2,500 in value of printed matter, to secure a permit from the administrator. The order did not affect non-profit organizations or publications assigned newsprint quotas under previous orders, or the publication of books, maps, charts and music. While Government bodies are also exempt from this order the Wartime Prices and Trade Board and other Government Departments have instituted drastic programs of paper conservation in accordance with the purpose of this order.

In the industry producing solid fibreboard and corrugated cartons a system of priorities for orders was established in November, 1943. This was supplemented two weeks later by quota restrictions limiting the use of these cartons in packaging different commodities, and prohibiting their use for certain commodities and inventories of cartons were restricted to about six weeks' supply. Restrictions were also introduced governing the use of paperboard boxes in packing tobacco products, chocolate and confectionery, and toilet goods. Many industries have, of course, voluntarily simplified the packaging of their products to a great extent, since this is one way of reducing the



pressure of rising costs without in any way affecting the quality of the product.  
*Price Problems*

*Pulpwood.*—Although rising costs have affected pulpwood production in the same way as lumber, there was no change in the general level of pulpwood prices in the period under review. Much of the pulpwood cut is produced by newsprint mills for their own consumption and does not enter the market. Of the remainder a good proportion is exported to the United States and is not subject to the ceiling price.\*

While the general level of prices remained unchanged, however, the basis for determining maximum prices was altered in order to remove certain ambiguities and to establish a more uniform price structure in each area. Standard producers' prices, to which "customary" brokerage or fees were added, were replaced by a system of standard consumer prices for each area.

*Newsprint.*—Newsprint manufacturers, who for the most part produce their own pulpwood, were seriously affected by the rising costs of pulpwood production as well as by increasing unit overhead costs in

the mills with curtailed newsprint production. Over 90 per cent of the industry's output is exported and newspapers and magazines in Canada are not subject to the price ceiling; in the circumstances it was decided that appropriate relief should be provided by authorizing a second increase of \$4 per ton in the price of newsprint, which became effective September 1, 1943. The first increase had been authorized in March, 1943, when prices were raised by \$4 per ton above the basic period level. Both these increases were authorized after full consultation with the Office of Price Administration, which authorized similar price increases in the United States. Neither of them was considered by the Board to be sufficient to offset the whole increase in costs, and further adjustments may have to be made.

Owing to these increases in newsprint prices manufacturers of certain paper products were unable to continue production under their ceilings and subsidies were arranged. Newsprint mills are paid a subsidy on sales to manufacturers of scribblers and counter-cheque books, and are required to reduce their prices to these customers by the amount of the subsidy.

## X. METAL CONSUMER GOODS

The war has brought with it great pressure on the metal supplies of the United Nations, and during the past year the Board has taken a number of important steps in connection with the provision of civilian metal goods. These have principally had to do with questions of supply and production; with the exception of used goods relatively few price problems have been encountered. Metal shortages in Canada partly reflect difficulty in obtaining certain metals from abroad and in replacing pre-war supplies, such as tin, lost as the result of enemy action. In other lines Canada produces more than is required for her own purposes, but in the case of such metals as nickel, aluminum and zinc any surplus that can be spared is required by her allies.

The intensity of the metal production program, however, and the success of

earlier measures of restriction against non-war uses, as well as the inevitable shifts in the production of the weapons of war, have combined in recent months to ease the supply situation in respect to certain metals. For the first time since the war began, some relaxation of the restrictions on the production of metal articles for civilian use has become possible.

*Jurisdiction and Organization.*—In the field of metals the jurisdiction of the Board and of the Department of Munitions and Supply has been somewhat intertwined and shifting. The Wartime Prices and Trade Board originally had jurisdiction only over the "necessaries of life". Metals, in view of their importance for war purposes, were under the supervision of the Department of Munitions and Supply where the Steel and Metals Controllers had jurisdiction, as they still have, over the allocation of steel and non-ferrous metals in their unmanufactured form. Certain metal manufactured products, including radios, refrig-

\*The spread between domestic and United States prices has adversely affected the production of "purchased pulpwood", and a plan to reduce this spread has been worked out in collaboration with OPA. In February, 1944, domestic Canadian prices were raised in certain regions and a ceiling on imported pulpwood is to be imposed in the United States.

erators, stoves, washing machines and bicycles, were placed under the Controller of Supplies in the Department of Munitions and Supply, and by early in 1942 production of these lines for civilian use had been either suspended or, in the case of coal and wood stoves and bicycles, considerably curtailed in order to conserve metals for war uses.

Meanwhile, the jurisdiction of the War-time Prices and Trade Board was extended by two Orders in Council of August, 1941. Since then it has had authority over the prices of all goods and services but over the supply of only those goods and services which do not fall within the jurisdiction of a Controller of the Department of Munitions and Supply. At the end of 1941 administrators, under a Metals Co-Ordinator, were appointed by the Board to deal with such important fields as fabricated steel and non-ferrous metal products, farm machinery, heating and plumbing equipment, electrical equipment, etc. These administrators in due course issued restriction and simplification orders covering most civilian metal articles not already dealt with by the Controller of Supplies. They also undertook to see that, in accordance with the spirit of the Hyde Park Agreement, Canadian controls over civilian goods were not less rigorous than those in the United States.

By Order in Council P.C. 504 of January 23, 1943,\* jurisdiction over metal articles formerly under control of the Controller of Supplies was transferred to the Wartime Prices and Trade Board. Thus the administrators in the Metals Co-ordination of the Board now have supervision over the production and distribution of practically all civilian metal goods, with responsibility for seeing that the requirements of consumers for these articles are met as equitably and as fully as possible. However, the decision to make metal available for such purposes still rests with the Department of Munitions and Supply, which must also approve any new or increased production likely to absorb plant or labour engaged in war work. This division of responsibility necessitates special arrangements between the Board and the Depart-

ment of Munitions and Supply. In the case of articles whose production has been maintained during the war period, usually at a reduced rate, the administrators concerned, or the co-ordinator, have dealt directly with the Steel and Metals Controllers to obtain allocations of materials to provide for the continued production of such essentials as enamelled kitchenware, barbed wire, etc.

Recently, however, a new type of problem arose. It became clear that civilian supplies of certain important durable household goods, such as electric washing machines and electric irons, had fallen to an uncomfortably low level. The fact that this called for resumption of production, often in plants largely converted to war work, and required the use of a considerable variety of scarce materials, made a new approach appropriate. Estimates of civilian requirements for these items have been prepared by the Board, and submitted to the Wartime Industries Control Board, where all Munitions and Supply Controllers are represented and where decisions are made as to what materials, labour and plant facilities can be spared for each program. At the present time the chief impediment to resumed production is often not materials, but labour and plant. A program of this kind, once approved, receives a priority equal to military production.

#### A. CONSERVATION POLICY

To a large extent, apart from the work of procuring metal for necessary continued civilian production, the Board's activities have been directed towards regulating the amount and kinds of metal used and towards simplifying the products made. The initial and basic work in this direction was largely completed in all fields by the end of March, 1943 (see the previous report of the Board, pages 50-2) and the work in the period under review has been concerned with the administration of these regulations, as well as with the issuance of some similar new orders and revisions of the regulations where advisable. During the latter part of 1943 the metal supply situation, which had been the dominant factor behind the imposition of most of the restrictions, was beginning to ease in certain directions. Consequently by the end of the year it became possible to remove or revise certain of the restric-

\* This Order in Council was part of a clarification of the responsibilities of the Board and the Department of Munitions and Supply (referred to at greater length on page 16 of the previous report of the Board).



tions so that manufacturers would not be hampered in the use of available metals and so that limitations on types would not be retained any longer than was necessary.

*Limitations on quantity produced.—*

In dealing with the consumer durable goods transferred to its jurisdiction during the year the Board has retained, with some modifications, the restrictions on manufacture imposed by the Department of Munitions and Supply. These in most cases permitted production only under permit; in certain cases, such as bicycles, a limited output had been allowed under periodic quotas, but in general production had been suspended. This procedure was in the main continued, for these products compete seriously with war production for scarce materials, plant and labour. At the same time it was recognized that, because of their durable character, the absence or restriction of current production for the civilian economy was feasible for a considerable period. A limited resumption of production, however, has been undertaken in electric irons and washing machines where the accumulation of civilian needs has become great, and where alternative means of providing the needed services (e.g. commercial laundry facilities) were also in short supply.

For a number of important metal products production had been allowed to continue at a reduced percentage of production in a specified base period. Throughout the past year increases in production were permitted for such items as wire screen cloth, barbed wire, razor blades and hair pins. Recently all restrictions on the amount of production of metal hair pins and bob pins, barbed wire and corset steel were lifted, although the supply of materials is not likely to permit an early return to pre-war production levels. The most significant increase permitted in production was in farm machinery (see page 27).

*Prohibitions on the use of metals.—*

Complete prohibition of the use of all metals or of particular metals or special forms, has been applied in varying degree to non-essential articles, to articles whose temporary absence causes no serious inconvenience to consumers, and to essential civilian articles which can be made of substitute materials or less critical metals.

In November, 1943, supplies of certain steel plates and shapes, as well as scrap aluminum became so plentiful that it was possible to permit a freer use of these metals. The production of many items is still limited by various quota and similar regulations already in existence for the purpose of reducing costs and making the most efficient use of available materials with respect to certain metal items. However, the Board is now engaged in a review of all such restrictions and will make such changes in the regulations as are possible in the light of the new situation. It should be added that the effects of the removal of all restrictions on the use of certain steel plate, secondary aluminum, etc., are likely to be less spectacular than might be assumed, because the metals are not in a form which can be used for many civilian purposes. For instance, steel plate is freely available only in one-eighth of an inch or more in thickness, a weight not suitable for most civilian goods.

In particular cases revisions of existing controls over the use of metals have been made in such a way as to ensure that most essential needs will be filled first; for example, the use of metal for wheelbarrows was permitted in November, 1943, but only when manufactured for certain types of businesses, such as a dairy, coal yard or mine, or an industry where hot materials must be handled.

The use of substitute materials has made possible the continued production of certain essential goods where the use of various metals had been prohibited or restricted, farm machinery being a case in point. Many of the metals are, however, now easier to obtain than the substitutes and can be used to make a better machine with less expenditure of labour, and restrictions are, therefore, being removed. In the case of metal furniture the types of articles which could be made of metal had been restricted in 1942, and in permitted lines the use of metal had been reduced by January, 1943, to 40 per cent of 1940 use. This meant that large quantities of hardwood lumber, fibreboard, etc., had to be substituted, producing less satisfactory products at a higher cost. Here again, by the end of 1943, supplies of some of the metal materials, principally angle iron and spring wire, had become more ample than supplies of wood. Consequently large quantities of metal are now

being released for the manufacture of important items of furniture and bedding equipment.

*Simplification measures.*—Where production of metal articles has continued, mostly on a limited basis, the Board has introduced since 1941 an extensive series of simplification measures designed to keep down costs and prices and to economize the use of materials, plant and labour. These measures have been applied widely throughout the fields of heating and plumbing equipment, electrical apparatus and equipment, and other important fabricated metal products. While simplification measures had been largely completed by the end of the first quarter of 1943, there have been some extensions during the past nine months. The following were the most important additions to the simplification program—the reduction in builders' hardware items from some 23,000 to 2,300 items, elimination of non-essential lines of kitchen cast iron ware, reduction of the number of types, sizes and weights of hammers and various tools, and simplification of valves and several items of plumbing equipment.

For the most part restrictions on the number of sizes, types, models, etc., are being retained since such simplification is important in keeping down production costs and in making the best use of limited metal supplies, for while some production limitations have been lifted, metal is still not available on anything like a pre-war scale. A number of regulations in the fabricated metals field, for example, have been revised to remove production restrictions but still to maintain simplification—barbed wire is an important example. In some cases, however, limitations on new models, or the number of types allowed, or the requirements to manufacture to certain specifications, are being lessened or removed because they are no longer of practical value. This has happened in the case of restrictions on electrical apparatus such as transformers and generators and on certain heating and plumbing equipment, such as pumps.

#### B. DISTRIBUTION

Formal control over distribution at the consumer level has not been found necessary for most metal products, with the exception of such articles as farm machinery, new electric stoves, typewriters and office machinery, where the purchaser

must present a certificate of essentiality or permit. In addition, the sale of certain items of industrial equipment such as commercial laundry and dry cleaning equipment, which are in extremely short supply, requires the permission of the administrator. The rationing of farm machinery is referred to in Chapter VI. Sales to consumers of electric ranges and rangettes have been closely controlled since August, 1942; they require a certificate of essentiality signed by the purchaser stating that the appliance is necessary either to replace an unrepairable electric stove or for installation in a building lacking facilities for any other type of stove. In April, 1943, the Board extended these regulations to cooking plates and grills, but because of the shortage of fuel and relative abundance of electric power in Manitoba, restrictions on electric cooking appliances were relaxed for that area in August, 1943.

#### C. USED GOODS

An important consequence of the limited supplies of new metal articles has been increased activity in the used goods market, necessitating action by the Board to restrain the upward trend of prices. During the period pricing orders were issued covering used sewing machines, metal beds and bed springs, mechanical household refrigerators, electric washing machines, stoves, vacuum cleaners and radios. In general these orders specify maximum prices at a certain percentage of prices for similar new goods, providing a somewhat higher price for used goods which have been rebuilt. Further protection for consumers against exploitation of the used goods situation was recently provided by amending the general order exempting sales of personal or household effects from the price ceiling. The sale of used goods for which maximum prices have been set, even in cases of isolated sales of used goods between individuals, are subject to the maximum price set down if the article was acquired less than six months before the sale; if it was acquired more than six months before the sale, the maximum price is to be the retail price current for new goods in that locality. This measure is designed to prevent the speculative purchase of goods for immediate resale at an enhanced price under the guise of their being personal effects.



## XI. RENTALS AND HOUSING

Wartime restrictions on new housing construction and shifts in population occasioned by the war have caused serious congestion in a number of areas. The Board has, therefore, not only been concerned with the control of rents and evictions, but has taken active steps to increase the use of housing accommodation in "deficiency areas". Among these areas are Halifax, Montreal, Ottawa, Toronto, Edmonton, Vancouver and Victoria. In most of these areas there are housing registries, operated by the Board in co-operation with other local organizations, which attempt to make the fullest possible use of available accommodation. On September 1, 1943, the Real Property Administration issued an appeal to those working in "deficiency housing areas" not to bring their families with them since the shortage of family dwelling units is considerably more acute than the shortage of single rooms. The administrator pointed out that if conditions become worse it might be necessary to restrict the movement of families to deficiency areas.

In October, 1942, the Board issued an order permitting householders in certain designated congested areas to share their accommodation or to sublet, notwithstanding any provisions in their leases or any laws, deeds, etc., to the contrary. In the nine months under review this exemption was extended to a number of places, including several townships adjoining Toronto, as well as the Municipalities of St. Joseph d'Alma, St. Johns and Sorel in Quebec. In Toronto the conversion of houses into multiple family units has been facilitated by a number of administrator's orders. In cases where such conversion is obstructed by out-of-date by-laws, and the value of real property in the neighbourhood would not be affected by the conversion, the Special Committee on Residence Conversion (appointed by the City Council) and the Real Property Administrator have agreed that the obstructing by-law should be rendered inoperative by an administrator's order.

The increasing demand for rooming accommodation in areas whose population had increased owing to the war made it necessary to extend the provisions for controlling rates charged for rooming accommodation. An order passed in November, 1942, provided for the ap-

pointment of a "local examiner" in certain areas to fix rentals for rooming accommodation and to issue "maximum rate cards" that must be displayed in all rooming accommodation offered for rent. Up to the end of March, 1943, this type of control of room rentals had been applied in Halifax, Dartmouth, Sydney and Yarmouth in Nova Scotia, and in Trenton, Ontario. It has since been extended to Shelburne, Digby, Annapolis and Windsor in Nova Scotia, to Montreal, Lachine, Outremont, Verdun, Westmount and neighbouring townships, Quebec City and Levis, in the Province of Quebec; and to Kingston, Ontario. Regulations made in August, 1943, covered rooming rentals in Vancouver and North Vancouver, British Columbia. In the remaining areas rentals for rooming accommodation were controlled by Board Order No. 294 discussed below.

Regulations governing housing and rooming accommodation, commercial accommodation, and hotel accommodation were revised and published as three separate orders which came into effect on October 1, 1943.

### A. HOUSING ACCOMMODATION

Board Order No. 294, dealing with "housing" and "shared" accommodation, revised the administrative machinery, the regulations governing changes in maximum rentals, and the conditions respecting the termination of leases.

The administration of the regulations is put into the hands of rentals appraisers, appointed for different areas, who replace the former rentals committees. These committees each consisted of a county court or district court judge who had the task of determining and varying maximum rentals, a considerable burden added to his other duties and one that did not require his specialized legal knowledge. Rentals appraisers are specialists in the real estate field who can devote their whole time to the administration of the rentals ceiling, including inspection of any accommodation concerned and adjoining properties.

The machinery for appeals was decentralized, the single Administrator of Rental Appeals being replaced by a number of regional Courts of Rental Appeals whose decisions are not subject to appeal to any higher authority. In

smaller communities no rentals appraiser is appointed, and the Court of Rental Appeals directly replaces the rentals committee. Each Court of Rental Appeals consists of one judge, judicial officer or barrister.

Among the changes in the regulations governing the variation of maximum rentals for housing accommodation were provisions designed to ensure that rentals varied in accordance with the services provided. The order prohibits the lessening or discontinuance of heating, lighting or hot and cold water services supplied by the landlord, unless a permit is obtained from the rentals appraiser or unless this reduction of services is due to a government order or to fuel not being available.

When reducing the amount of the accommodation or any service connected with it a landlord is required to apply for a reduction of the maximum rental. The tenant may apply for a reduction in maximum rental, (1) if there was no maximum rent as of October 11, 1941, and if the rental set by the landlord since then is higher than the rental generally prevailing on that date for similar accommodation in the neighbourhood, and (2) if there has been any lessening of the accommodation or services. Under previous regulations the tenant was also able to apply for a decrease if the landlord's taxes or rates had decreased.

Some changes were made in the grounds on which an increase in the maximum rental could be sought. Under the regulations superseded by the order an increase could be applied for on the grounds of increased wear and tear, higher taxes or rates, additional services, structural alterations, expenditures on repairs or decorations above those ordinarily incurred, or, under certain conditions, if the rental was lower than that generally prevailing on the basic date for similar accommodation in the neighbourhood. Under the new regulations an increase on the ground that rents for similar accommodation are higher can only be applied for in the case of a dwelling unit in a multiple family house, in which similar units are let at a higher rental. "Wear and tear" is no longer regarded as a valid reason for seeking an increase. However, under certain conditions an increase may be applied for if the tenant is subletting more than two rooms, and was not doing so when the maximum rental was last

fixed. In this case the appraiser may raise the maximum rental by ten per cent. Another new condition on which an application for an increase in maximum rental may be based is if the maximum rental for one year is less than twice the total of taxes and water rates payable by the landlord.

Regulations governing the termination of leases were simplified in the new order, and adjustments were made to reduce inconvenience caused to both landlords and tenants. Under both the old and the new regulations certain classes of tenants are not protected by the special rights of tenure conferred by the regulations, and their leases are governed by provincial law. Tenants holding weekly leases were in this group under the old regulations, but the protection against eviction was extended to them under Board Order No. 294. The new regulations provide that an "obnoxious" tenant whose conduct does not amount to a breach of a material provision of his lease can only be dispossessed under provincial law if a Court of Rental Appeals rules that his lease be exempted from the provisions of the order.

Under the old regulations there were a variety of reasons for which tenants protected by the regulations could be required to vacate. These are reduced to two under the new order: (1) If the landlord desires the accommodation as a residence for himself or members of his family for a period of at least one year; and (2) if the landlord desires possession of the accommodation for the purpose of subdividing it so as to accommodate more persons.

Under the old regulations the length of the notice to vacate required in these cases was (except for periodic yearly tenancies in Ontario) three months, unless a landlord who had purchased the accommodation after December 10, 1942, wanted to live in the accommodation, in which case twelve months' notice was required. The new order provides for a minimum of six months' notice if the landlord desires the accommodation for himself or his family, and three months' notice if he wishes to subdivide it. It is further provided that in the case of a monthly or weekly lease the notice to vacate is not to terminate in the winter, that is between September 30 and the following April 30. In the case of half-yearly or longer leases, notice to vacate must be given at the appropriate time



prior to the termination of the lease, and the tenant vacates at the end of his lease term.

While formerly a landlord serving a notice to vacate could be required to prove his case in court, he is freed from this requirement under the new regulations. However, if he requires the accommodation for his own use or that of his family he is not permitted to sell or rent it for a year, without the permission of the rentals appraiser. If he intends to subdivide the accommodation he must first obtain a permit from the rentals appraiser, and may not rent or sell the accommodation until the subdivision is complete.\*

#### B. ROOMING ACCOMMODATION

Order No. 294 also regulates maximum rentals for rooming accommodation though no provisions are made regarding the termination of leases, which remain subject to provincial law. The regulations apply to rooming accommodation in all areas not covered by previous orders.

Rooming accommodation, described as "shared accommodation" in the order, is defined as accommodation the tenants of which share the entrance door and any facility, such as a bathroom, with the landlord. The order provides that shared accommodation may only be let on a "per person" basis if bedding, linen and the laundering thereof are provided by the landlord. Shared accommodation let as a unit, and not at a rate per person, is governed as to maximum rentals by the regulations established for housing accommodation. "Per person" rates, on the other hand, must not exceed those in force on July 1, 1943, or, where no "per person" rates were in effect at that date, they must not exceed the rates first charged by the landlord after July 1, 1943. A landlord can apply for an

increase in maximum rates if they are lower than those generally prevailing for similar accommodation in the neighbourhood, or if he is supplying any additional furniture, services, meals or other facilities. Conversely, a tenant may apply for a decrease if comparable rates are lower or services or furnishings are reduced.

#### C. COMMERCIAL ACCOMMODATION

Revised regulations for commercial accommodation were contained in Board Order No. 315. Previous regulations had protected tenants of commercial accommodation from eviction in the same way as tenants of housing accommodation; notice to vacate could only be given under certain specified conditions and three months' notice was required. The new Board Order omitted all regulations governing the termination of leases so that leases of commercial accommodation are governed only by provincial law. While special protection had to be given to tenants of housing accommodation owing to the acute shortage of such accommodation, the supply of commercial accommodation is not in such a critical condition.

Regulations governing maximum rentals and their variation were not changed, except that increased wear and tear, was as with housing, no longer recognized as a valid reason for seeking an increased maximum rental. The basic date for the determination of maximum rentals is October 11, 1941, and the grounds on which a variation may be sought are the same as those originally provided for in the case of housing accommodation.

#### D. HOTEL ACCOMMODATION

As is the case of housing and commercial accommodation, previous regulations fixed hotel rates at the level established on October 11, 1941, or, in the case of seasonal accommodation, at the last previous seasonal rate schedule. However, in the case of hotel rates no provision was made for the setting of maximum rates for accommodation coming into operation after the basic date.

This was corrected in the revised regulations (Board Order No. 316) which required all hotels, including those for which maximum rates had been fixed, to file their current rate schedules with the administration. These schedules were to be their maximum rates. Provision was also made for the setting of maximum rates for any new accommodation by a Hotel Rates Committee appointed by the Board.

\* After Board Order No. 294 came into effect thousands of notices to vacate were given to tenants in multiple family buildings on the grounds that the landlord desired the accommodation for himself or a member of his family. This large number of notices in areas of acute housing shortage caused unnecessary distress and was not in accordance with the spirit and intent of the order. Accordingly an order passed on January 4, 1944, invalidated, with certain exceptions, all notices to vacate accommodation in multiple family buildings when the notices were based on a landlord's desire to use the accommodation for himself or his family. Exceptions were made in the case of a landlord living in rented accommodation and wishing to move into his own building and in the case of a landlord wanting to move from a single family house to an apartment.

While many hotels quote special weekly or monthly rates which are, on a "per day" basis, lower than daily rates, there had been no ceiling on such rates, so that they could be raised as far as the maximum set for daily rates. The new regulations, however, provided for the freezing of these rates, the basic date being July 1, 1943.

Under regulations made in June, 1942, application for an increase in maximum rates could be made by hotels in certain areas and under certain conditions if their maximum rates were substantially lower than those in effect on the basic date for

similar accommodation in the neighbourhood. This provision was omitted from the revised order, since sufficient time had been allowed for all necessary adjustments to be made. The other grounds on which an increase might be sought—increased services, structural alterations, increased equipment and extraordinary repairs or decorations—were also provided for in the revised Board Order. In addition an application for a decrease in maximum rates is to be made if there is any reduction in accommodation, equipment or services provided.

## XII. CONSUMER CREDIT

Regulations governing consumer credit were first introduced in October, 1941, just prior to the imposition of the over-all price ceiling, and were later amended and extended (*see* previous report, pages 5 and 56-7). No change in the regulations took place during the period under review. In general, they require a one-third cash down payment on credit purchases of almost all consumer goods and payment of the balance of the credit price in from six to fifteen months, depending on the type of article and the amount financed. Charge accounts must be paid within one month of the end of the month in which the purchases are made.

The extent to which credit and instalment sales have declined is shown by a survey recently made by the Statistics Branch of the Board. In part, of course, this decline must be ascribed to the higher level of consumer income which stimulated both the settlement of outstanding accounts and the payment of cash for current purchases, but in large part it was certainly the result of credit restrictions. Data for the survey were secured from some five hundred retail outlets throughout Canada extensively engaged in instalment selling. These stores, which had a combined 1942 sales volume of nearly \$250,000,000, were divided into four main groups: departmental, clothing, furniture and jewellery. Sales figures were related to the six months period Jan.-June, 1941, and credit standing to June 30, 1941, both dates being several months before the original credit restrictions were imposed. The results of the survey can be summarized under the three main headings—instal-

ment, charge and cash. The first two groups provide a further breakdown under sales and credit outstanding.

The proportion of instalment sales to total sales declined steadily from 1941 to 1943, as follows:

	Jan.-June, 1941	Jan.-June, 1943
Type of Store	1941	1943
Department ...	15%	8%
Clothing .....	18%	13%
Furniture .....	61%	40%
Jewellery .....	22%	9%

The volume of instalment accounts outstanding fell even more rapidly:

	Decline from June 30, 1941 to June 30, 1943
Type of Store	June 30, 1943
Department .....	62%
Clothing .....	35%
Furniture .....	62%
Jewellery .....	71%

The importance of this credit reduction is shown by the fact that the 499 stores surveyed had over \$28 million in accounts receivable at June 30, 1941, and less than \$11 million at June 30, 1943.

The proportion of charge account sales to total sales remained about the same. During the period the total dollar volume of charge account sales has materially increased, but there has been a decrease in charge accounts receivable ranging from 17 per cent in department stores to 34 per cent in jewellery stores.

The importance of cash sales increased in all types of stores surveyed. Department stores showed less relative improvement than the other types, for food accounts for a large volume of department store sales and such sales were



already largely cash sales. The percentage of cash to total sales changed as below:

Type of Store	Jan.-June, 1941	Jan.-June, 1943
Department ...	68%	75%
Clothing .....	59%	67%
Furniture .....	23%	39%
Jewellery .....	48%	61%

The pattern of declining importance of instalment sales, relatively constant rate of charge account sales, and increased proportion of cash sales, was uniform in all types of stores. Indeed a breakdown into the five main regions of Canada showed no major deviation from this pattern.

### XIII. ENFORCEMENT

One of the main objectives of the Board is to ensure that the public complies with its regulations. This can be attained only if the majority of the public recognizes that the regulations are necessary and fair and shows a willing spirit to observe them. All branches of the Board do enforcement work in its broadest sense, for they are all concerned in some degree with explaining the purposes and effects of the regulations to people affected by them. The Enforcement Administration takes up this work where others leave off; it attempts by investigations in the field to see that the public is instructed how and why the law should be observed and by prosecutions in the Courts to obtain compliance from the unco-operative minority where other methods have failed. Prosecution is only a means to an end, so neither the number of prosecutions nor percentage of convictions is a true test of enforcement success; this can be judged only by the extent of compliance and public support throughout Canada.

The number of infractions which are investigated is large but in only a small proportion is prosecution warranted. Many minor and technical infractions are best dealt with by warnings or by referring the matter to the appropriate trade or industry administrator for corrective action. A great variety of factors is taken into account before a recommendation for prosecution is made to the Board. Consideration is always given to extenuating circumstances, to lack of knowledge or intent on the part of the suspected offender and to the deterrent effect of prosecution on others. Before action is taken against any suspected offender it is the invariable practice to afford him a full opportunity to give his explanation.

The orders of the Board and of its administrators do not all need equal enforcement efforts, and owing to limitations of staff there has had to be a careful rationing of time in the work of the Enforcement Administration. Primary attention has been directed to orders controlling the supply, distribution and price of consumer goods in short supply and to orders fixing maximum rentals of housing accommodation in congested areas. During the period under review the work of the Enforcement Administration has reflected some of the consequences of shortages of many consumer goods. There have been periodic evidences of black markets and, with the able assistance of the R.C.M.P. and the provincial police, every effort has been made to stamp them out by prosecution. In four instances merchants whose Court records showed them to be persistent and deliberate offenders in transactions of this kind have had their licences suspended by the Board; suspension of licence, however, is recognized as a measure that should be used with great caution and only when it is shown plainly that prosecution is not an effective deterrent.

Except in the field of rentals, there has been a marked drop in the volume of complaints and reports of evasion from the public. When there is evasion of consumer rationing orders and when black market tendencies develop, the buyer who deliberately participates in such offences is as little interested as the seller in exposing what has taken place. It is apparent that general compliance cannot be obtained merely by waiting for complaints to be made and that the more positive technique of inspection must be employed. By better organization, and without substantially increasing the staff of the fourteen regional enforcement

counsel, a system of periodic inspections has been developed with a view to covering the whole territory of each region. Inspections are confined in the main to commodities, particularly food-stuffs, which are in short supply; and they can be intensified on any particular commodity whenever there is evidence that a critical situation is developing. The investigators making these inspections use no pressure or trickery; their function is to obtain information and to report the facts to enforcement counsel so that in proper cases he can make his recommendation for enforcement action.

Although it has been necessary to adopt the technique of regular inspections in critical fields, the Board is most anxious that the public, whether buyers or sellers, should continue to report any attempts at evasion or improper practices which come to their attention. Without this public support and co-operation the Board's part in the battle against inflation is made increasingly difficult. Information of this kind is treated in strict confidence and its source is not disclosed by the Board.

The Enforcement Administration has continued during the period to act as an enforcement agency for Controllers of the Department of Munitions and Supply. Close attention has been paid to the orders of the Oil Controller dealing with the rationing of gasoline; widespread attempts at evasion by distributors and consumers through the use of loose and counterfeit coupons have had to be countered by court proceedings and by constant spotchecks at dealer outlets.

Approximately 4,258 prosecutions were completed between April 1 and December 31, 1943, as compared with 1,551 during the same period in 1942. Of these 4,258 prosecutions, 3,003 were for alleged infractions of regulations of the Board, and the remainder for infractions of Controllers' Orders. Of the 3,003 prosecutions under the Board's regulations, 1,543 dealt with prices of goods and services, 433 with rentals of real property, 591 with rationing of consumer goods, and the remainder with other orders, such as those concerning consumer credit, trucking, slaughtering permits, etc. During the same period in 1942 there were 1,145 prosecutions under the Board's regulations, of which 562 related to rentals, 330 to prices and 177 to rationing. Prosecutions of all kinds in the two years 1942 and 1943 totalled 6,750.

The record of prosecution proceedings speaks for itself. Compared with the same period in 1942, the total number of prosecutions in the past nine months has increased, and, in prosecutions under the Board's regulations, the emphasis has shifted from rentals to prices. The most valuable conclusion to be drawn from this record is that during the period the Board's regulations, affecting as they do practically every individual and company in Canada, have involved prosecution in only 4,258 cases. It seems to be a reasonable assumption that the great majority of the people is in sympathy with these regulations and that the restrictions and controls are regarded as a wartime necessity.

#### XIV. PRICE MOVEMENTS FROM AUGUST, 1939, to DECEMBER, 1943

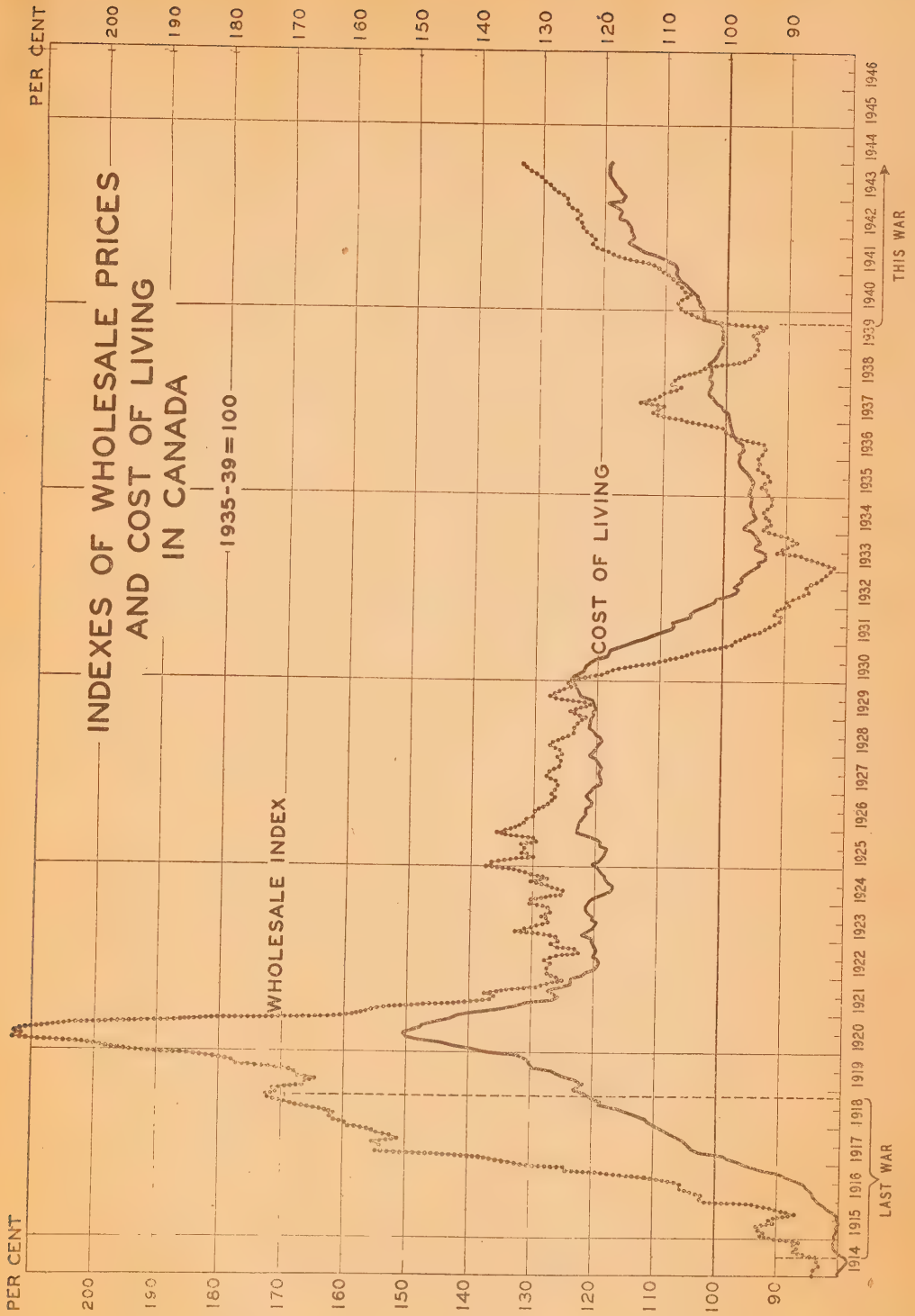
The movement of prices during the war falls into two distinct periods: the one, from the beginning of the war to the basic period for the price ceiling (September 15 to October 11, 1941); the other,

from the basic period to the present. The following table segregates these movements and also shows the changes prior to and after March, 1943, when the previous report of the Board was issued.

POINT CHANGES IN PRICE INDEX NUMBERS, AUGUST, 1939, to DECEMBER, 1943  
(August, 1939=100)

Index	August, 1939, to October, 1941	October, 1941, to March, 1943	March, 1943, to December, 1943	August, 1939, to December, 1943
General Wholesale Prices.....	+29.9	+ 6.3	+ 5.6	+41.8
Farm Products, Wholesale Prices (as received by farmers).....	+26.9	+29.4	+22.8	+79.1
Cost of Living.....	+14.6	+ 1.7	+ 2.1	+18.4





# COST OF LIVING INCREASES IN TWO WARS

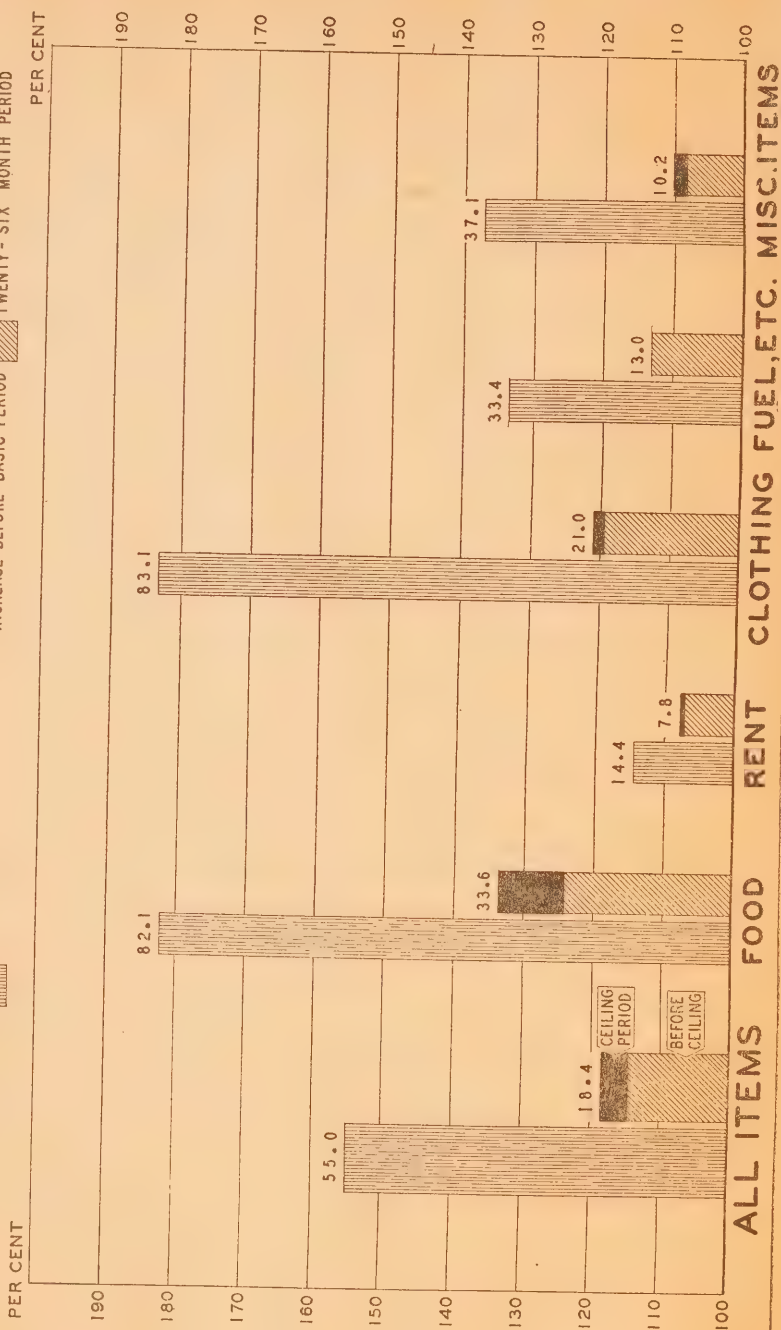
**LAST WAR**  
JULY 1914 TO DEC. 1918

**THIS WAR**  
AUG. 1939 TO DEC. 1943

FIFTY-THREE MONTH PERIOD WITHOUT PRICE CEILING

INCREASE SINCE BASIC PERIOD TWENTY-SIX MONTH PERIOD

INCREASE BEFORE BASIC PERIOD TWENTY-SIX MONTH PERIOD





## A. WHOLESALE PRICE CHANGES

The following changes have occurred in the eight product groups on which the wholesale index is based.

Of the 29.9 point increase in the general wholesale index between August, 1939, and October, 1941, 14.2 points occurred during the first five months of the war. An important influence in this movement was the 10 per cent discount of the Canadian dollar in New York, and a further contributing factor was the depressed level of many commodity markets in August, 1939, the wholesale index for that month being at the lowest level since June, 1936. By the spring of 1940 this first impulse had spent itself

from October, 1941, to March, 1943. This recent increase was caused mainly by the same three groups—vegetable, animal and wood products. The price of western wheat rose an additional 28 cents and this, along with smaller increases in the other grains, produced most of the increase in the vegetable group. In the animal group the most important movement was the usual rise in egg prices between March and the period of short supply in the fall. It was in the wood products group, however, that the greatest percentage increase occurred since March, the result of a further increase in the contract price for newsprint paper and of new price increases authorized for lumber manufacturers and wholesalers.

POINT CHANGES IN WHOLESALE PRICE INDEXES, AUGUST, 1939, TO DECEMBER, 1943  
(August, 1939=100)

Group	August, 1939, to October, 1941	October, 1941, to March, 1943	March, 1943, to December, 1943	August, 1939, to December, 1943
Vegetable Products.....	+36.3	+15.0	+10.4	+61.7
Animal Products.....	+45.1	+ 6.4	+ 5.7	+57.2
Textile Products.....	+46.2	- 8.0	0.0	+38.2
Wood Products.....	+25.9	+ 9.9	+11.9	+47.7
Iron and Its Products.....	+16.2	+ 3.3	- 0.2	+19.3
Non-Ferrous Metals.....	+11.0	+ 3.0	0.0	+14.0
Non-Metallic Minerals.....	+16.6	+ 2.1	+ 3.1	+21.8
Chemicals.....	+33.6	- 3.4	- 1.1	+29.1
Total.....	+29.9	+ 6.3	+ 5.6	+41.8

and no further important price increases occurred until the spring of 1941. From April to October of that year a further increase of 8.2 points took place, the advance being in almost all groups and caused by the rapidly expanding demand and the relatively short supplies of raw materials and labour.

The increase of 6.3 points between October, 1941, and March, 1943, is associated with increases in the vegetable, animal and wood groups. The more important individual price changes involved in these movements were a substantial increase in western wheat (24 cents per bushel for No. 1 Northern) and in beef prices, a rise in newsprint prices, and a sharp increase in lumber prices. The "roll back" of cotton goods prices and declines in fertilizers and a few pharmaceutical chemicals were of much less importance.

Since March, 1943, the increase in wholesale prices has accelerated, amounting to 5.6 points in nine months compared to 6.3 points in the seventeen months

## B. FARM PRODUCT PRICE CHANGES

In contrast to the increase of 41.8 points in general wholesale prices since the beginning of the war, the index of prices of farm products has increased 79.1 points. It must be remembered, however, that this index, representing as it does the prices received by farmers, includes subsidies and special payments (mainly on milk and coarse grains) as well as market prices, whereas the prices of vegetable and animal products included in the wholesale price index are the market prices and do not include such payments. The two sets of indexes, therefore, are not comparable.

The increase of 26.9 points between August, 1939, and October, 1941, reflects sharp increases in livestock prices and, to a lesser extent, a rise in milk and grain prices. From October, 1941, to March, 1943, a further increase of 29.4 points occurred, the dominant factors being increases in wheat prices and the introduction in December, 1941, of a subsidy

POINT CHANGES IN INDEX OF WHOLESALE PRICES OF CANADIAN FARM PRODUCTS, AUGUST, 1939, TO  
DECEMBER, 1943  
(August, 1939=100)

	August, 1939, to October, 1941	October, 1941, to March, 1943	March, 1943, to December, 1943	August, 1939, to December, 1943
Field Group .....	+20.1	+36.3	+33.8	+90.2
Animal Group .....	+34.1	+22.1	+11.0	+67.2
Total .....	+26.9	+29.4	+22.8	+79.1

to farmers on milk which averaged about 25 cents per hundredweight. It is, however, in the period since March, 1943, that the sharpest increases in returns to farmers have taken place. In those nine months the farm products index rose 22.8 points compared to 29.4 points in the 17 months between October, 1941 and March, 1943. In large part this resulted from further rapid increases in wheat prices, an increase in the milk subsidy to 55 cents per hundredweight, and the introduction of special payments to farmers on oats and barley.

each period. The periods have been selected to illustrate the movement prior to the basic period, and to show the changes which produced the two adjustments of the cost-of-living bonus.

The dominating influence of food price changes is clearly apparent. Out of a total rise of 14.6 points between August, 1939, and October, 1941, foods contributed more than half, viz., 7.4 points. Between October, 1941, and October, 1943, foods accounted for three-fourths of the movement viz., 2.9 points out of a 3.8 total. The consumer subsidy program intro-

POINT INCREASES IN MAIN GROUPS OF COST-OF-LIVING INDEX  
(August, 1939=100)

	Increase August, 1939, to October, 1941	Increase October, 1941, to March, 1943	Increase March, 1943, to December, 1943	Increase August, 1939, to December, 1943
Foods .....	24.1	4.5	5.0	33.6
Fuel and Lighting .....	13.2	0.6	-0.8	13.0
Rent .....	7.1	0.1	0.6	7.8
Clothing .....	19.5	0.5	1.0	21.0
Home Furnishings and Services .....	16.3	0.4	1.0	17.7
Miscellaneous .....	5.1	1.0	1.1	7.2
Total .....	14.6	1.7	2.1	18.4

### C. COST OF LIVING CHANGES

At December 1, 1943, the cost-of-living index stood at 118.4 (August 1939=100). Approximately one-third of the index consists of food items, in which price movements have been quite sharp, as will be seen by the above table.

The changes in living costs during the present war can be placed in clearer perspective by calculating the contribution which each group of products has made to the changes in the total cost-of-living index. The table below breaks down the 18.4 per cent increase in the total index according to the amount of change produced by each major item or group in

duced in December, 1942, prevented an appreciably greater increase in living costs. In the above table only three items show material declines between July, 1942, and October, 1943, and while one of these (the vegetable group) reflects the regular drop in potato prices from the peak for new potatoes in June and July, the other two reflect consumer subsidies. In the dry groceries group the ten cents per pound subsidy on tea and four cents per pound on coffee brought a reduction of 0.2 points. The two cents per quart reduction in consumer milk prices caused a decline of 0.9 points, part of which, however, was offset by increases to maintain production in areas of acute shortage.



## MOVEMENTS IN COST-OF-LIVING INDEX, AUGUST, 1939, TO DECEMBER, 1943

(August, 1939=100)

(Points added in the total index by component groups)

	August, 1939 to October, 1941 26 months	October, 1941 to July, 1942 9 months	July, 1942 to October, 1943 15 months	October, 1943 to December, 1943 2 months	Total August, 1939 to December, 1943 52 months
Food.....	+7.38	+2.13	+0.80	-0.04	+10.27
Milk.....	+0.49	+0.03	-0.76	0.00	-0.24
Other Dairy Products...	+1.56	-0.01	-0.01	+0.06	+1.60
Eggs.....	+0.69	-0.34	+1.02	+0.10	+1.47
Beef and Veal.....	+1.35	+0.97	+0.53	-0.06	+2.84
Other Meats and Fish...	+1.30	+0.22	+0.42	-0.01	+1.93
Cereals.....	+0.42	+0.01	+0.03	0.00	+0.46
Dry Groceries.....	+1.01	+0.07	-0.21	0.00	+0.87
Vegetables.....	-0.02	+1.02	-0.53	-0.06	+0.36
Fruits.....	+0.58	+0.16	+0.31	-0.07	+0.98
Fuel and Lighting.....	+0.79	+0.02	+0.05	-0.09	+0.77
Rents.....	+1.41	+0.02	+0.11	0.00	+1.54
Clothing.....	+2.34	+0.05	+0.13	0.00	+2.52
Home Furnishings and Services.....	+1.48	+0.05	+0.03	+0.05	+1.61
Miscellaneous.....	+1.20	+0.13	+0.23	+0.03	+1.69
Total Change.....	+14.6	+2.4	+1.4	0.0	+18.4

## APPENDICES

NOTE.—In the previous report of the Board, all Board and Administrators' Orders were listed in two appendices, D and E. To conserve paper and because these orders are printed in full and indexed in *Canadian War Orders and Regulations*, similar appendices have been omitted from this report.

## Appendix A

## DIRECTORY OF OFFICIALS

## A-1—THE WARTIME PRICES AND TRADE BOARD

*Minister:* Hon. J. L. Ilsley, Minister of Finance.

Present membership with dates of appointment:

*Chairman:* D. Gordon, Deputy Governor, Bank of Canada, Nov. 10, 1941.

*Members:* H. B. McKinnon, Chairman of the Tariff Board, Sept. 3, 1939.

David Sim, Deputy Minister of National Revenue for Customs and Excise, Sept. 3, 1939.

F. A. McGregor, Commissioner of the Combines Investigation Act, Department of Labour, Sept. 3, 1939.

A. M. Shaw, Director of Marketing Service, Department of Agriculture, Sept. 9, 1939.

Yves Lamontagne, Director of Commercial Relations, Department of Trade and Commerce, June 20, 1940.

J. G. Bouchard, Assistant Deputy Minister of Agriculture, Nov. 13, 1941.

W. A. Mackintosh, Special Assistant to the Deputy Minister of Finance, Mar. 12, 1942.

S. A. Cudmore, Dominion Statistician, Department of Trade and Commerce, Jan. 14, 1943.

Arthur MacNamara, Deputy Minister of Labour, Mar. 9, 1943.

J. G. Godsoe, Chairman Wartime Industries Control Board, Nov. 29, 1943.

*Deputy Chairmen:* D. Dewar, June 8, 1943.

M. W. Mackenzie, June 8, 1943.

*Secretary:* R. M. Fowler, Feb. 15, 1943.

*Special Advisers:* S. R. Noble, Nov. 12, 1941.

Hon. Cyrille Vaillancourt, May 14, 1943.

Henry Borden, who, as Chairman of the Wartime Industries Control Board, became a member of the Board on Oct. 6, 1942, resigned Nov. 29, 1943, on relinquishing Chairmanship of the Wartime Industries Control Board.

## A-2—ASSOCIATED COMPANIES

*Commodity Prices Stabilization Corporation Limited*

President—H. B. McKinnon  
 Vice-President—S. R. Noble  
 Directors—L. P. Saint-Amour  
           David Sim  
           R. B. Bryce

Comptroller—O. B. Thornton  
 Treasurer—W. Williamson  
 Secretary—Orian E. B. Low

*Canadian Wool Board Limited*

President—D. C. Dick  
 Vice-President—G. E. O'Brien  
 Vice-President and Treasurer—W. P. Walker  
 Secretary—George W. Fraser

Directors—H. Brown  
           R. Geddes  
           A. M. Shaw  
           A. Sutherland  
           W. H. J. Tisdale

*Wartime Food Corporation Limited*

President—R. T. Mohan  
 Vice-President—K. W. Taylor  
 General Manager—J. B. Lander  
 Secretary-Treasurer—A. N. H. James

Directors—A. R. Johnstone  
           S. R. Noble  
           E. W. Smart  
           Raoul Godbout  
           Carl Sanders

*Wartime Salvage Limited*

President—W. A. Bark  
 Vice-President—R. Geddes  
 Treasurer—C. F. Butler

Secretary—C. W. Younger  
 Director—Charles LaFerte

## A-3—HEAD OFFICE DIVISIONS

Secretary's Division—R. M. Fowler, Secretary  
                           and General Counsel  
 Comptroller's Division—A. M. Henderson,  
                           Comptroller  
 Prices Division—D. Dewar, Chief  
 Industrial Division—D. G. Mackenzie, Chief  
 Supply Division—R. Geddes, Chief  
 Distribution Division—C. K. C. Martin, Chief

Research Division—J. D. Gibson, Chief  
 Consumer Branch—Byrne Sanders, Director  
 Information Branch—W. F. Prendergast,  
                           Director  
 London Office—J. A. Langley, Special  
                           Representative  
 Washington Office—A. F. W. Plumptre,  
                           Special Representative

**Appendix B****CO-ORDINATIONS AND ADMINISTRATIONS***Distributive Trades Co-ordination*

Co-ordinator—R. F. Chisholm  
 Administrations—Retail Trade  
                           Services  
                           Ships' Stores  
                           Used Goods  
                           Wholesale Trade

*Foods Co-ordination*

Co-ordinator—K. W. Taylor  
 Deputy Co-ordinators—F. S. Grisdale  
                           J. J. Page  
                           C. Planta  
 Administrations—Dairy Products  
                           Feeds  
                           Fertilizers and Pesticides  
                           Fish and Fish Products  
                           Fresh Fruits and Vegetables,  
                           Honey and  
                           Maple Products  
                           Meat and Meat Products,  
                           Eggs and Poultry  
                           Processed Fruits and  
                           Vegetables  
                           Seeds  
                           Cocoa, Confectionery and  
                           Allied Products  
                           Flour and Cereal Products  
                           Imported Grocery Items  
                           Tea, Coffee and Spices  
                           Alcoholic Beverages  
                           Oils and Fats  
                           Pharmaceuticals  
                           Sugar  
                           Tobacco

*Metal and Wood Products Co-ordination*

Co-ordinator—D. P. Cruikshank  
 Administrations—Asbestos and Asbestos  
                           Products  
                           Construction Products  
                           Electrical Apparatus,  
                           Equipment and Supplies  
                           Fabricated Steel and Non-  
                           Ferrous Metals  
                           Farm and Construction  
                           Machinery and Municipal  
                           Service Equipment  
                           Furniture and Brushes  
                           Glass and Glass Products  
                           Heating, Plumbing and  
                           Ventilating Equipment  
                           and Supplies  
                           Jewellery  
                           Metal Containers  
                           Office Machinery, Equip-  
                           ment and Supplies  
                           Plant, Steam Railway and  
                           Ship Building Machinery,  
                           Equipment and Supplies  
                           Refrigeration, Laundry  
                           and Dry Cleaning  
                           Equipment  
                           Sundry Items N.O.P.  
                           Upholstered and Metal  
                           Furniture and Bedding  
                           Wooden Containers and  
                           Woodenware



*Pulp and Paper Co-ordination*

Co-ordinator—W. H. Howard  
 Deputy Co-ordinator—C. N. Moisan  
 Administrations—Book and Writing Paper  
     Building Papers, Wall  
     Board and Asphalt  
     Roofing  
     Newsprint  
     Paperboard  
     Packages and Converted  
     Paper Products  
     Shipping Cases  
     Wall Paper  
     Woodpulp  
     Wrapping Paper

*Real Property Co-ordination*

Co-ordinator—R. S. Smart  
 Administrations—Real Property  
     Rentals

*Textile and Clothing Co-ordination*

Co-ordinator—F. B. Walls  
 Deputy Co-ordinator—Henry Morgan  
 Administrations—Cotton and Cotton  
     Products  
     Fine Clothing (Woollens)  
     Footwear  
     Fur Skins and Fur Gar-  
     ments  
     Hides and Leather  
     Knit Goods  
     Luggage and Small  
     Leather Goods  
     Men's and Boys' Furnish-  
     ings

Rayon and Rayon  
 Products  
 Textile Sundries  
 Women's, Misses' and  
 Children's Wear  
 Women's and Misses'  
 Coats and Suits  
 Wool and Wool Products  
 Work Clothing

*Individual Administrations*

Enforcement  
 Ration  
 Printing, Publishing and Allied Industries

The following *Controllers of the Wartime Industries Control Board* function as Administrators of the Wartime Prices and Trade Board in matters of price, for the commodities under their control:—

Chemicals  
 Coal  
 Machine Tools\*  
 Motor Vehicles and Parts\*  
 Non-Ferrous Metals (Primary)\*  
 Oil  
 Power  
 Rubber  
 Ship Repairs and Salvage\*  
 Steel and Iron (Primary)\*  
 Supplies  
 Timber  
 Transit  
 Wood Fuel

\* Within the Metal and Wood Products Co-ordination.

**Appendix C****REGIONAL AND LOCAL OFFICES AND PRICES AND SUPPLY REPRESENTATIVES**

Charlottetown .....	E. M. Nicholson	Montreal .....	L. C. Robitaille
Halifax .....	W. Stanley Lee	Local Offices:	
Local Offices:		Amos	St. Hyacinthe
Amherst	Sydney	Drummondville	St. Jerome
Annapolis Royal	Truro	Granby	St. Johns
Bridgewater	Wolfville	Joliette	Shawinigan Falls
New Glasgow	Yarmouth	Lachute	Sherbrooke
		Mont Laurier	Sorel
Saint John.....	Chas. C. Sullivan	Papineauville	Three Rivers
Local Offices:		Rouyn	Valleyfield
Bathurst	Fredericton		
Edmundston	Moncton	Ottawa .....	G. Masson
		Local Office:	
Quebec City .....	L. P. Plamondon	Hull	
Local Offices:			
Chicoutimi	New Carlisle	Brockville .....	Edwin C. Cossitt
*Port Alfred	Rimouski	Local Offices:	
Baie Comeau	Riviere du Loup	Belleville	Renfrew
Cabano	Roberval	Cornwall	*Pembroke
Chandler	*Dolbeau	Kingston	
Donnacona	St. Georges		
Jonquiere	(Beauce)	Toronto .....	G. H. Rennie
La Malbaie	*Lac Megantic	Local Offices:	
Levis	St. Joseph d'Alma	Barrie	Oshawa
Magdalen Islands	St. Marie (Beauce)	Bracebridge	Parry Sound
Matane	Thetford Mines	Hamilton	Peterborough
Mont-Joli	*Plessisville	Lindsay	St. Catharines
Montmagny		Niagara Falls	Welland
		Orillia	

\* Sub-local office reporting to the local office named directly above.

London .....	W. Harold McPhillips	Regina .....	A. R. Mackie
Local Offices:		Local Offices:	
Brantford	St. Thomas	Moose Jaw	Saskatoon
Chatham	Sarnia	North Battleford	Swift Current
Galt	Stratford	Prince Albert	Weyburn
Guelp	Windsor	Rosetown	Yorkton
Kitchener	Woodstock		
Owen Sound		Edmonton .....	Walter S. Campbell
		Local Offices:	
North Bay .....	A. T. Smith	Calgary	Medicine Hat
Local Offices:		Grande Prairie	Red Deer
Cochrane	Sault Ste. Marie	Lethbridge	White Horse
Haileybury	Sudbury		
Kirkland Lake	Timmins	Vancouver .....	W. R. Dowrey
		Local Offices:	
Winnipeg .....	E. B. Complin	Cranbrook	Prince George
Local Offices:		Kamloops	Prince Rupert
Brandon	Fort William	Nanaimo	Trail
Dauphin	Kenora	Nelson	Vernon
Flin Flon	Portage la Prairie	Penticton	Victoria

## Appendix D

### ORDERS IN COUNCIL AFFECTING THE WARTIME PRICES AND TRADE BOARD

NOTE.—The following list of Orders in Council supplements Appendix B of the previous report which lists the principal Orders in Council under which the Wartime Prices and Trade Board functions.

P.C. 504, Jan. 23, 1943	Transfers authority, jurisdiction and power with respect to all goods designated as "supplies", to the Board.
P.C. 918, Feb. 4, 1943	Establishing and confirming the mobilization of the newsprint industry.
P.C. 1752, Mar. 5, 1943	Establishes office of Coal Controller to which functions and responsibilities of Coal Administrator are transferred; appointment and powers of Coal Administrator revoked.
P.C. 3206, Apr. 22, 1943	Amends and clarifies P.C. 8528, Nov. 1, 1941, the Wartime Prices and Trade Regulations.
P.C. 3207, Apr. 22, 1943	Amends and strengthens from the point of view of enforcement, the provisions of P.C. 8965, the Maximum Rentals Regulations, and P.C. 9029, the Wartime Leasehold Regulations, both of Nov. 21, 1941.
P.C. 4110, May 8, 1943	Authorizes that various Controllers, Department of Munitions and Supply, be appointed Administrators, Wartime Prices and Trade Board.
P.C. 18/4857, June 15, 1943	Authorizes the Board, at its discretion, to re-allocate goods or services or reassign duties to Co-ordinators, Administrators, etc.
P.C. 6808, Aug. 30, 1943	Amends and strengthens P.C. 8528, Nov. 1, 1941, the Wartime Prices and Trade Regulations.
P.C. 7570, Oct. 1, 1943	Amends P.C. 9029, Nov. 21, 1941, the Wartime Leasehold Regulations, to provide for the appointment of Courts of Rental Appeals.

## Appendix E

### STATEMENTS OF ADMINISTRATIVE POLICY ISSUED BY THE WARTIME PRICES AND TRADE BOARD

NOTE.—The following list supplements Appendix C of the previous report.

Feb. 17, 1943	
July 21, 1943	
Aug. 18, 1943	
Aug. 30, 1943	
Oct. 12, 1943	
Dec. 10, 1943	
	Amendments to the Statement on Import Policy of Feb. 11, 1943.



## Appendix F

# SUBSIDIES PAID FROM DECEMBER 1, 1941, TO DECEMBER 31, 1943, BY THE COMMODITY PRICES STABILIZATION CORPORATION LIMITED

## SUBSIDIES ON IMPORTED GOODS

NOTE.—In many cases commodities on which import subsidies have been paid are now ineligible for subsidy in whole or in part, or are eligible for subsidy only if prior approval is secured for their importation. In column three a summary is given of the chief limitations on eligibility. These limitations are indicated as follows:—

- PA Items inserted in Schedule "A" to the Statement of Import Policy (goods eligible for subsidy only in cases approved in advance), effective on the date indicated.
- B Items inserted in Schedule "B" to the Statement of Import Policy (goods specifically excluded from import subsidy), effective on the date indicated.
- BP The Commodity Prices Stabilization Corporation has been authorized to make bulk purchases of these items and import them for civilian use.
- E The Commodity Prices Stabilization Corporation has been authorized to pay subsidies on imports made when a product is normally ineligible.
- In a number of cases some goods imported

under a given tariff item have been made ineligible for subsidy consideration while others remain eligible. (See Section II, Schedule "B" of the Statement of Import Policy.) In still other cases imports have been excluded from subsidy consideration by description (Section III, Schedule "B" of the Statement of Import Policy) not by tariff item. It has not been possible to indicate in the table every exclusion of this type.

Goods imported under a number of other tariff items on which no subsidy has been paid and which, therefore, do not appear in this list, have also been made ineligible for subsidy consideration or subject to prior approval.

This appendix is not intended to be and should not be read as a complete account of the eligibility or otherwise of imports for subsidy consideration. The Wartime Prices and Trade Board Statement of Import Policy, February 11, 1943, as amended, should be consulted.

The description of imports subsidized appearing opposite each tariff item is partial and general only. Space does not permit the listing of each separate commodity subsidized under a particular tariff item, and the heading indicates the general class only.

Tariff Item	Partial Description of Imports Subsidized	Status, if Eligibility Limited	Subsidy Paid
	GROUP 1. ANIMALS, AGRICULTURAL PRODUCTS, FISH AND PROVISIONS		\$ cts.
8	Canned meats, etc.....	B 1/1/42.....	1,342 61
11	Rennet.....		3,709 00
13	Lard and animal stearine, n.o.p.....	PA (in part) 18/8/43: BP.....	1,233 88
14	Tallow*.....	PA (in part) 18/8/43: BP.....	2,421 53
15	Beeswax.....	B 1/8/42: BP.....	26,722 80
20a	Cocoa butter.....		1,823 64
28a}	Tea.....	B 1/8/42: BP.....	1,251,491 14
29a}	Ginger and spices, unground.....	Pepper B 15/8/42} BP.....	111,807 74
30		Other B 11/5/42} BP.....	
31	Ginger and spices, ground.....	Pepper B 15/8/42} BP.....	2,500 33
		Other B 11/5/42} BP.....	
32	Nutmegs and mace.....	B 11/5/42: BP.....	17,324 89
39 (ii)	Starch, n.o.p.....	PA 7/11/42.....	648 62
42	Salt, bulk.....	E 1/12/41 to 10/5/42 even if production goods: PA 11/5/42.....	25,305 03
43a	Powdered milk.....	B 1/1/42.....	4,884 60
47	Beans, n.o.p.....	B (in part) 23/3/42: B 11/5/42.....	21,945 43
53	Cornmeal.....		235 00
55	Indian corn.....	B (in part) 1/1/42 to 1/8/42: PA 1/8/42.....	237,444 05
62	Rice, uncleaned.....	PA 11/5/42.....	1,102,993 43
63	Rice, cleaned.....	B 9/3/42.....	40,342 40
64	Sago and tapioca.....	B 11/5/42.....	641 83
72a	Aromatic seeds, inedible in crude state.....	B 1/8/42.....	1,165 08
73	Field seeds, n.o.p.....	PA 11/2/43.....	1,673 61
77a	Cocoa beans.....	B 11/5/42: BP.....	698,359 54
77b	Vanilla beans, crude.....	B 1/8/42: BP.....	13,955 15
83a	Potatoes.....	PA 17/2/43.....	811,174 22
99a	Prunes.....	1, 2, 3 and 10 lb. cartons } BP.....	514,411 68
		B 9/3/42 } BP.....	
		Other prunes B 18/8/42 } BP.....	
99c	Raisins and dried currants.....	B 17/3/42: BP.....	10,957 26
99e	Dates.....	B 11/5/42: BP.....	650 91
99g	Apricots, peaches, etc., dried.....	B 11/5/42: BP.....	43,176 50

\* Under the plan of assistance for the soap and shortening industry, manufacturers purchasing materials at prices less than those set by the administrator remit the difference to C.P.S.C. to be offset against subsidies paid on other materials. Such remissions have been made on tallow to the amount indicated (see page 26).

Tariff Item	Partial Description of Imports Subsidized	Status, if Eligibility Limited	Subsidy Paid
101	Oranges.....	B 1/12/41 to 15/12/42.....	\$ cts. 1,163,004 98
104a	Fruit pulp, unsweetened.....	B 11/5/42.....	3,104 22
109a	Peanuts, green.....	Unshelled B 11/5/42 } BP.....	85,243 89
113a	Copra.....	Shelled B 23/12/42 } BP.....	521,562 86
	Items under \$100.....	BP.....	41 69
	GROUP 2. SUGAR, MOLASSES AND MANUFACTURES THEREOF		\$ 6,718,456 48
136	Molasses—edible (transportation).....	PA 1/8/42.....	186,290 24
136a } 137 } 140 }	Syrups and molasses, cane and beet.....	136a, 137 PA 1/8/42; 140 PA (in part) 1/8/42	21,843 13
	GROUP 3. TOBACCO AND MANUFACTURES THEREOF		\$ 208,133 37
	Nil		
	GROUP 4. SPIRITS, WINES AND OTHER BEVERAGES		
152	Fruit syrups and juices, n.o.p.....	B 11/5/42: PA (in part) 30/8/43 } BP.....	217,917 68
	GROUP 5. PULP, PAPER AND BOOKS		\$ 217,917 68
192	Paper and board products.....	B (in part) 1/8/42.....	4,216 23
197	Paper, n.o.p.....		662 65
199	Manufactures of paper, n.o.p.....	B (in part) 1/1/42: B 1/8/42: E (in part) 1/8/42.....	5,197 05
199d	Paper, cigarette.....		82,715 79
	GROUP 6. CHEMICALS, DRUGS, OILS AND PAINTS		\$ 92,791 72
203	Non-edible tanning, dyeing, etc., materials.....		743,417 36
204	Drugs, non-edible, crude.....		845 91
206	Quinine, etc.....		399 11
208	Chemicals, miscellaneous.....		299 47
208c } 208m } 209b } 209c }	Pesticide chemicals.....	BP.....	20,580 79
208o	Tartaric acid.....		10,954 97
208t } 209 }	Chemicals and drugs.....	PA (in part) 18/8/43.....	43,703 01
209a }	Fertilizer chemicals.....	BP.....	26,245 32
210e }	Peroxide of soda, etc.....		267 12
210	Acids, n.o.p.....		1,074 41
219a	Disinfecting, spraying, etc. preparations.....		1,136 54
219d	Anaesthetics, n.o.p.....		9,172 38
220	Medicinal, chemical and pharmaceutical preparations.....	PA 1/8/42.....	635 51
225	Wax, vegetable and mineral, n.o.p.....		14,586 49
232c	Gelatine, edible.....	B 19/5/42.....	47,971 20
236	Surgical dressings, etc.....		207 16
238a } 238b } 238d } 238g }	Synthetic plastics.....	PA 7/11/42.....	2,423 34
240	Whiting and other materials.....		169 20
242	Dry red lead, etc.....		3,353 69
247	Paints and fillers, n.o.p.....		122 57
247a	Artists' and school children's colours, etc.....	B 1/8/42 to 10/2/43: PA (in part) and B (in part) 11/2/43.....	3,112 90
254 } 254a }	Gums.....		245 98
264	Essential oils, n.o.p.....		8,961 25
274	Petroleum coke.....	PA 1/8/42.....	170 87
276a } 276b }	Cottonseed oil.....	PA (in part) 18/8/43: BP.....	203,754 74



Tariff Item	Partial Description of Imports Subsidized	Status, if Eligibility Limited	Subsidy Paid
			\$ cts.
	<b>GROUP 6—Continued</b>		
278	Oil, coconut and palm, for soap manufacture, etc.	PA (in part) 18/8/43: BP.	1,399 25
278b	Peanut oil for refining.	PA (in part) 18/8/43: BP.	36,036 56
278c	Coconut oil for refining.	PA (in part) 18/8/43: BP.	26,404 57
280	Foots; grease for manufacture of soap and oils.	PA (in part) 18/8/43: BP.	3,448 71
	Petroleum and products.	PA 1/8/42.	
	Ocean tanker, Eastern Canada.		24,864,062 52
	Prairie.		522,801 41
	Items under \$100.		108 32
			\$ 26,598,072 63
	<b>GROUP 7. EARTHS, EARTHENWARE AND STONEWARE</b>		
287	Tableware.	B (in part) 1/8/42.	100,891 97
288	Stone and earthenware.	B (in part) 1/8/42.	1,100 25
289	Sanitary ware, n.o.p.	B 1/1/42 to 22/3/42: PA 1/1/44.	57,433 26
326a	Glassware.	326 (ii) B (in part) 1/8/42; 326 B 1/1/44; 326e B 1/8/42.	8,378 90
326e			
326g			
326 (i)			
326 (ii)			
326h	Items under \$100.		9 90
			\$ 167,814 28
	<b>GROUP 8. METALS AND MANUFACTURES THEREOF</b>		
349	Brass, not polished.		127 75
352	Manufactures of brass or copper.	B 1/8/42.	765 40
362c	Nickel plated, etc. ware, n.o.p.	B 1/8/42.	797 34
366b	Parts of watch movements.	PA 11/5/42.	4,888 68
383 (c)	Iron or steel sheets, bands, etc., zinc-coated.		126 00
407	Silent or roller chain.		247 48
409	Agricultural implements.	409c B (in part) 1/8/42.	13,703 59
409b			
409c			
409d			
409e			
409i			
409m			
409o			
427	Machinery, wholly or in part of iron or steel, n.o.p.	427, 427a B (in part) 1/1/42.	103 38
427a			
427b			
429	Cutlery.		4,102 37
430	Nuts and bolts, hinges, screws, etc., iron or steel.		685 12
430a			
430b			
431	Tools.		4,784 47
431b			
431e			
432	Hollow ware.	432d B (in part) 1/1/42: B 1/8/42.	4,391 05
432b			
432d			
438b	Parts and accessories for motor vehicles.	PA 1/8/42.	2,363 63
438c			
438e			
439	Bicycles.	B 1/1/42 to 22/3/42: B (in part) 1/8/42.	986 15
440d	Anchors for vessels.		1,966 93
440g	Manufactures of metal for equipment of vessels.		150 74
442	Agricultural implements, articles entering into manufacturing cost.		5,734 14
443	Apparatus for heating and cooking*.	B 1/1/42.	1,452 03
444a	Lighting fixtures.		323 91
445a	Flashlights** and bicycle lamps.	B (in part) 1/1/42.	125 89
445e	Batteries and parts.		3,041 54

\* Subsidies have been paid on imports under this item in accordance with the proviso to Schedule "B" of the Statement of Import Policy. This specifies that goods classified under a tariff item listed in Schedule "B" may still be considered for subsidy if they are "repair or replacement parts of a functional character".

\*\* Ordered prior to January 1, 1942.

Tariff Item	Partial Description of Imports Subsidized	Status, if Eligibility Limited	Subsidy Paid
			\$ cts.
	<b>GROUP 8—Continued</b>		
445k	Electric apparatus and parts, n.o.p.....	B (in part) 1/1/42.....	1,102 53
446a	Manufactures of iron or steel, n.o.p.....	B (in part) 1/1/42: PA (in part) 1/8/42	5,661 42
451	Fasteners, metal.....	PA (in part) 1/8/42.....	1,614 81
451b	Pins, metal.....		1,610 83
462	Instruments—mathematical, optical, etc.....	B (in part) 1/1/42.....	257 61
462 (i)			
476	Surgical and dental instruments.....	B (in part) 1/8/42.....	3,807 79
	Items under \$100.....		393 11
			\$ 65,315 69
	<b>GROUP 9. WOOD AND MANUFACTURES THEREOF</b>		
493	Corkwood and products.....		1,400 37
494			
494b			
497			
752	Cane, reed or rattan.....	PA 7/11/42.....	8,284 49
502	Wooden products, miscellaneous, shapes, etc...		178 92
504	Partly dressed lumber.....	B 1/1/42.....	1,076 15
506	Manufactures of wood, n.o.p.....	B (in part) 1/1/42: B 1/8/42.....	1,105 68
507a	Veneers of wood, n.o.p.....	PA 1/1/44.....	10,638 61
	Items under \$100.....		5 95
			\$ 22,690 17
	<b>GROUP 10. COTTON, FLAX, HEMP, JUTE AND OTHER FIBRES AND SILK, WOOL AND MANUFACTURES THEREOF</b>		
520	Raw cotton and cotton linters.....		1,092,468 21
520a	Waste and rags, cotton.....		48,483 08
520b			
522	Rovings, yarns, warps (cotton).....	522c B (in part) 1/8/42 and 17/12/42.	243,335 65
522a			
522b			
522c			
522d			
522f			
523	Woven fabrics (cotton).....	523b B (in part) 1/1/42 to 16/12/43: PA (if above specified values) 17/12/42: PA (if cotton bags) 13/1/43	4,390,976 24
523a			
523b			
523c			
523j			
523k			
524a	Cotton, etc., fabrics with cut weft pile.....	PA (if above specified values) 17/12/42.....	1,028 05
532	Manufactures of cotton, n.o.p.....	B (in part) 1/1/42: PA (in part) 17/12/42 and 13/1/43.....	10,297 08
532a	Handkerchiefs (cotton).....	Embroidered B 17/12/42.....	26,192 95
535	Vegetable fibres.....		2,128,592 19
535a			
535b	Waste and rags, n.o.p.....		7,377 31
535c			
535e	Vegetable fibres for brush manufacture.....		331 62
536	Batts and wadding, n.o.p.....		1,559 97
537a	Rovings, yarns, warps (vegetable fibre).....	Rope, cordage and twine B 5/6/42...	26,231 33
537b	Linen thread for machine and hand sewing.....		2,606 16
537c	Rovings, yarns and warps (vegetable fibre for specified uses).....		4,418 04
537d	Rovings, yarns and warps (jute).....		154,924 25
538a	Bindertwine, articles entering into manufacturing cost.....		20,807 70
540 (a)	Woven fabrics and articles of flax or hemp....	540 (b), except plain handkerchiefs, B 17/12/42.....	161,919 84
540 (b)			
540 (c)			
540 (d)			
542	Woven fabrics (vegetable fibre).....	Wholly or in chief value cotton PA (if above specified values) 17/12/42	1,077 86
542a			383 34
543	Sail twine and canvas.....		4,013 25
548	Textile manufactures, n.o.p.....	B (in part) 1/1/42: PA (in part if above specified values) 17/12/42..	995,095 39
549	Wool, hair of camel, goat or like animal.....		4,058 87
549a	Hair.....	Horsehair B 11/5/42.....	1,300 50
550a	Waste and rags, wool or hair.....		5,459 20
550b			136,217 97
551	Yarns of wool or hair, n.o.p.....		
551a	Yarns and warps of wool or hair for manufacture.....		
551b	Mohair or alpaca yarns for upholstery manufacture.....		2,281 20



Tariff Item	Partial Description of Imports Subsidized	Status, if Eligibility Limited	Subsidy Paid
GROUP 10—Continued			\$ cts.
551c	Yarns and warps of hair or hair and fibre.....		13,736 59
551d	Yarns and warps, worsted.....		5,845 05
553	Blankets (excluding rugs).....		1,165 65
554	Woven fabrics wholly or in part of wool.....		
554a			
554b			253,187 67
554c			
555	Manufactures of wool, n.o.p.....	B (in part) 1/1/42: B 17/12/42.....	431 62
557b	Artificial silk, etc.....		433,434 49
558b	Rovings, yarns and warps of artificial silk, etc.....		
558d			321,359 08
560c			
561			
561a	Woven fabrics, artificial silk.....	560c B (in part) 1/1/42: B 17/12/42; 561 B (in part) 23/3/42: PA (if above specified value) 17/12/42; 561a B (in part) 1/1/42: B 17/12/42.....	75,985 81
565	Braids, nets, etc.....	B (in part) 1/1/42; Gold lace PA 5/1/44.....	14,543 87
567a	Manufactures of artificial silk.....	B (in part) 1/1/42: B 17/12/42.....	241 90
568	Knitted garments and goods, n.o.p.....	B (in part) 1/1/42: PA (if over specified value) 17/12/42.....	399 84
568b	Gloves and mitts, n.o.p.....		2,685 46
569 (i)	Hats, hoods and shapes of felt or wool.....	569 (i) B (in part) 17/12/42;	
569 (iii)		569a (ii) B 17/12/42.....	12,457 77
569a (ii)		B 1/1/42.....	331 81
571a		B 1/1/42 to 22/3/42: B 1/8/42.....	3,011 21
572	Cocoa mats or matting.....	B 1/8/42.....	4,191 49
573	Carpets and rugs, n.o.p.....	PA (in part) 17/12/42.....	1,082 76
574	Linoleum, oilcloth, etc.....		114 33
574b	Elastic webbing for manufacture.....		
	Items under \$100.....		
GROUP 11. MISCELLANEOUS			\$10,615,643 65
	Crude bone pitch and resin or rosin.....		1,361 40
584	Pitch and tar.....		1,358 06
585	Coal, U.K. anthracite (Transportation, Ont. and Que.).....		814,448 89
586	Coal, U.S. anthracite, consumer.....		320,356 07
586	Coke, consumer.....		22,343 90
587	Coal, U.S., n.o.p., consumer.....		
587a			710,145 74
588			
589			
	Raw hides and skins.....	Sheep and lamb skins pickled B 11/2/43 to 20/7/43: PA 21/7/43..	1,630,613 34
	Leather further finished than tanned, n.o.p....	Upholstering leather B 11/2/43: Patent, japanned or enamelled leather B 1/1/44.....	16,535 30
604	East India kip leather for linings.....		472 60
605	Leather for manufacture.....		
607			887 73
607 (2)			
608b			
611a	Boots and shoes, n.o.p.*.....	B (in part) 1/1/42: B 1/8/42.....	132 13
612	Harness and saddlery.....		1,130 81
618	Manufactures of rubber, n.o.p.....	B (in part) 1/1/42: PA 10/12/43.....	782 41
623	Cases, portfolios, etc.....	B 1/1/42 to 22/3/42: B 1/8/42.....	177 93
642	Hatters' fur.....	PA 11/5/42.....	27,417 38
652	Dressing combs, n.o.p.....	B 1/1/42.....	125 72
654	Broom corn and bristles.....	E (in part) 1/10/41: PA (in part) 21/7/43:BP.....	752,051 59
655a	Lead pencils, crayons, chalk, etc.....		
655b			1,521 49
662			
663b			
663c	Fertilizers and articles entering into manufacturing cost.....	BP.....	1,014,236 67
674	Soya bean meal, etc.....	PA 1/8/42.....	20,272 51
	Ivory nuts, etc.....	B 11/5/42 to 6/11/42: PA (in part) 7/11/42.....	551 88
682	Fishermen's gear, non sporting.....		
682a			
682b		682 B (in part) 5/6/42.....	102,051 89
682c			
697	Globes, geographical.....	B 4/3/42.....	211 07
711	Items, n.o.p.....	PA (in part) 1/1/42 extended subsequently.....	644,177 69
794	Waste fabrics for further manufacture.....		7,550 77
817	Unbleached beeswax for manufacture.....	B 1/8/42: BP.....	4,172 20
837	Alfalfa meal.....	PA 1/8/42 (T.I. now cancelled).....	11,176 37
839	Sunflower seed oil for use in manufacture.....	PA (in part) 18/8/43: BP.....	140,983 79
	Items under \$100.....		53 98
			\$ 6,247,301 31

Tariff Item	Partial Description of Imports Subsidized	Status, if Eligibility Limited	Subsidy Paid
	Accountable advances (not allocated to tariff items).....		\$ cts. 1,627,629 78
	Rubber, synthetic and crude.....		987,120 25
			\$ 2,614,750 03
	Total.....		\$ 53,568,887 01

## SUBSIDIES OR REIMBURSEMENTS ON DOMESTIC PRODUCTS

Description of Products	Amount Paid
	\$ cts.
Butter—	
Butterfat*.....	12,977,776 59
Inventories.....	582,778 66
Transportation.....	44,484 38
Canned Fruits and Vegetables—	
1941 Pack.....	260,715 25
1942 Pack.....	1,736,837 78
1943 Pack.....	377,399 55
Coal—	
Cost-of-Living Bonus.....	2,245,224 98
Emergency Diversion.....	69,810 88
Transportation, Maritimes.....	5,145 91
Pre-ECPB Assistance.....	394,595 08
Wagon Mines, Transportation.....	606 16
Eggs, frozen.....	87,066 12
Feeds—	
Fishmeal.....	19,595 99
Fertilizers—	
Eastern Canada.....	134,619 46
Footwear—	
Subsidy to July 15, 1943.....	4,289,716 68
Fruits, fresh—	
Strawberries, B.C., 1942.....	63,997 14
Peaches, Ont., 1942.....	66,594 35
Tree Fruits, 1943.....	597,930 07
Groceries, Order 116—	
Standard.....	2,298,632 48
Cereal Products.....	32,884 99
Jam and Jelly.....	68,263 45
Leather—	
Footwear, Sole and Upper.....	54,915 16
Glove and Garment (including Shearlings).....	1,937,047 61
Harness.....	3,527 34
Lumber—	
Pit Props and Mine Ties.....	19,858 52
Pit Wood, U.K.....	279,759 92
Consumer, Softwood.....	276,563 08
Producer, B.C. Coastal, Lumber (including lath).....	368,191 78
Retail, Prairie.....	620,156 87
Maple Products (net)**.....	6,443 56
Meat—	
Beef, Transportation.....	257,086 16
Bologna and Weiners.....	74,318 28

\* Responsibility for the payment of milk and butterfat subsidies to primary producers was taken over by the Department of Agriculture on May 1, 1943. The amounts here listed, therefore, apply only to production before that date.

The Department of Agriculture pays a number of subsidies for the benefit of primary producers which are of interest to the Wartime Prices and Trade Board (*see* pages 23, 25). The subsidies paid to growers on soft fruits sold for jam manufacture and on vegetables for canning are examples.

\*\* The figure in italics indicates the amount by which receipts from surcharge on exports exceed disbursements by way of subsidy (*see* page 25).



SUBSIDIES OR REIMBURSEMENTS ON DOMESTIC PRODUCTS—*Continued*

Description of Products	Amount Paid	
	\$	cts.
Milk—		
Primary Producers, 1941-42.....	2,907,247	95
Primary Producers, 1942-43, *.....	3,182,972	61
Consumer.....	19,009,699	67
Flin Flon, Transportation.....		287 37
Oils and Fats—		
Linseed Oil, Transportation.....	19,487	07
Soap and Shortening Materials.....	1,393,566	29
Paper Products—		
Scribblers and Counter Cheques.....	2,473	07
Rubber—		
Scrap Tires.....	39,520	78
Rye Grain.....	9,165	24
Tea and Coffee Inventories, Dec. 7, 1942.....	3,048,638	62
Vegetables—		
Beans, White and Yellow Eye.....	196,264	36
Potatoes:		
New.....	706,200	52
Transportation, Old.....	15,320	79
Transportation 1943 Crop.....		137 21
Woodenware—		
Cheese Box Materials, 1942.....	6,158	76
Fruit and Vegetable Containers.....	141,455	16
Apple Barrels and Parts, Ont. and Que.....	12,612	95
Powdered Milk Barrels and Nail Kegs.....	30,918	50
Oars.....		288 54
Special Arrangements.....	273,255	85
Wood Fuel—		
Cordwood, \$1.00.....	446,155	27
Transportation.....	123,452	30
Vancouver.....	4,412	57
Total.....	\$61,809,348	56
Grand Total of Import and Domestic Subsidies or Reimbursements.....	\$115,378,235	57

## Appendix G

NET TRADING LOSSES OF ASSOCIATED COMPANIES ON COMMODITY OPERATIONS  
FROM DECEMBER 1, 1941, TO DECEMBER 31, 1943

Commodity Prices Stabilization Corporation, Limited .....	\$10,760,378	07
Wartime Food Corporation, Limited.....	861,339	59
Canadian Wool Board Limited.....	194,636	45
Wartime Salvage Limited.....	426,112	28
Total.....	\$12,242,466	39

## Appendix H

## CHANGES IN CUSTOMS VALUATION, DUTIES AND TAXES

## H-1—VALUATION FOR CUSTOMS PURPOSES MODIFIED

P.C. 62/450, Jan. 20, 1942.—Import and excise duties and taxes imposed in any country are to be disregarded in estimating the value for duty of goods imported into Canada.

P.C. 9889, Dec. 19, 1941.—On recommendation of the Wartime Prices and Trade Board with the concurrence of the Minister of Finance, the Minister of National Revenue may accept export selling prices as the basis for valuation for duty purposes.

\* See footnote \* on preceding page.

H-1—VALUATION FOR CUSTOMS PURPOSES MODIFIED—*Con.*

Under the authority of this order in council selling price (actual invoice value) is accepted as the basis for valuation for duty purposes instead of "fair market value as sold for home consumption" in respect of the items listed below.

Commodities	Effective date
Automobiles, passenger.....	Mar. 19, 1942.
Barrels, wooden, used or second-hand.....	Jan. 2, 1942.
Bristles dutiable under Tariff Item 654.....	Apr. 1, 1942.
Broom corn.....	June 1, 1943.
Chinese menthol.....	Jan. 8, 1942.
Cotton, raw.....	Dec. 19, 1941.
Dried fruits—	
Dried prunes and plums.....	Dec. 19, 1941.
Evaporated or dried apricots.....	Feb. 16, 1942.
Raisins and currants.....	Apr. 15, 1942.
Dried fruits of all kinds.....	Nov. 2, 1942.
Essential oils, whether containing non-alcoholic materials or not, specified in Tariff Item 264.....	Jan. 2, 1942.
Ether, sulphuric, and preparations of vinyl ether for anaesthetic purposes.....	Feb. 16, 1942.
Feeds, animal or poultry (ex Tariff Item 45).....	Apr. 1 to June 30 1942, incl.
Galatest.....	Sept. 1, 1942.
Hollow-ware, of iron or steel, coated with vitreous enamel, dutiable under Tariff Item 432b.....	July 2, 1942.
Metal caps for bottles or jars.....	July 2, 1942.
Rice, cleaned and uncleaned, or paddy.....	Dec. 19, 1941.
Soya beans, soya bean oil cake, and soya bean oil meal, dutiable under Tariff Item 663c.....	Feb. 2, 1942.
Tools, hand, of all kinds.....	July 2, 1942.
Vegetable oils as specified in Tariff Items 208t, 259a, 259b, 262, 266, 276, 276a, 276b, 277, 277a, 278, 278a, 278b, 278c, 278d, 278e, 280, 711, 824, 831, 838 and 839....	May 1, 1942.
Waxes, vegetable and mineral as specified in Tariff Item 225.....	Dec. 19, 1941.
Xanthates—	
Pentastol amyl xanthate and sodium ethyl xanthate.....	Dec. 19, 1941.
Xanthates for use in the process of concentrating ores, metals or minerals (ex Tariff Item 208u).....	Apr. 1, 1943.

## H-2—DUTIES AND TAXES MODIFIED OR REMITTED

P.C. 9888, Dec. 19, 1941.—Special or dumping duties suspended for the time being except in respect of importations of fresh fruits and vegetables.

P.C. No.	Date Passed	Date Effective	Commodity	Effect
394	20/1/42	1/1/42 to 30/4/42	Anthracite coal.....	Removal of customs duty and war exchange tax on imports into the Maritime Provinces from Intermediate and General Tariff countries.
3472	28/4/42	30/4/42	Anthracite coal.....	Extension of P.C. 394 until further notice.
350	14/1/43	9/1/43	Anthracite coal.....	Removal of war exchange tax on imports from Intermediate or General Tariff countries.
1737	9/3/42	9/3/42 to 31/12/42	Bituminous coal, when converted into coke to be sold.	Reduced usage requirements of Canadian coal from 35 p.c. to 25 p.c. to entitle importer to a drawback of 99 p.c. of the customs duty paid on imported coal.
6220	20/7/42	1/4/42	Bituminous coal when converted into coke to be sold.	Rescinded P.C. 1737, eliminating the 25 p.c. provision and substituting approval of Administrator.
4488	28/5/42	1/5/42 to 14/9/42	Coke.....	Removal of customs duty and war exchange tax on imports from Intermediate and General Tariff countries.
8042	9/9/42	15/9/42	Coke for use in cooking and heating.	Removal of war exchange tax and customs duty on imports from Intermediate and General Tariff countries.
10824	1/12/42	15/11/42 to 31/3/43	Coal briquettes.....	Removal of war exchange tax and customs duty on imports from Intermediate and General Tariff countries when imported into the customs port at Port Arthur or any port west thereof to the Saskatchewan-Alberta boundary.



H-2—DUTIES AND TAXES MODIFIED OR REMITTED—*Con.*

P.C. No.	Date Passed	Date Effective	Commodity	Effect
1517	1/3/43	1/4/43	Coal briquettes.....	Extension of P.C. 10824 until further notice.
3739	5/5/42	2/1/42	Soda ash.....	Removal of customs duty on imports from British Preferential Tariff countries.
4191	19/5/42	2/1/42	Crude rubber.....	Removal of war exchange tax, customs duty and special excise tax.
5648	30/6/42	2/1/42	Cement clinker.....	Removal of war exchange tax on imports from Intermediate and General Tariff countries.
1620	2/3/42	15/1/42 to 30/6/42	Alfalfa meal (dehydrated)...	Removal of war exchange tax and customs duty.
4525	29/5/42	2/2/42	Hatters' fur.....	Removal of war exchange tax on imports from Intermediate and General Tariff countries.
2233	20/3/42	Imported on and after 15/8/41, entered on and after 2/3/42	Tea.....	Elimination of the additional duty of 5 cts., 7½ cts. and 10 cts. per lb.
1663	5/3/42	5/3/42	Woven fabrics not made in Canada of artificial silk imported by manufacturers of ties, etc., for their own use.	Duty reduced by application of a lower tariff item.
4489	28/5/42	1/4/42	Copra.....	Removal of war exchange tax, customs duty and special excise tax.
3011	14/4/42	1/4/42 to 31/7/42	Dried whey, skim milk and buttermilk for animal or poultry feeds.	Removal of war exchange tax and customs duty on imports.
7353	18/8/42	31/7/42	Dried whey, etc.....	Extension of P.C. 3011 to cover imports which entered Canada but were not cleared through customs on or before July 31, 1942.
6582	27/7/42	1/4/42	Sugar.....	Removal of war exchange tax, customs duty and special excise tax.
545	9/2/43	1/9/43	Sugar enumerated in Tariff Items 134, 135, 135a and 135b.	Reduction of rate of excise tax from 1½ cts. to 1c. per lb.
6047	14/7/42	1/5/42	Second-hand bags of jute, cotton, etc.	Removal of war exchange tax, customs duty and special excise tax.
9058	6/10/42	1/5/42	Second-hand bags and bagging materials reclaimed from such bags when made from fabrics wholly of vegetable fibre.	Removal of war exchange tax, customs duty and special excise tax (Enlargement of P.C. 6047).
9759	27/10/42	15/10/42	Woven fabrics, wholly of cotton, not bleached, mercerized nor coloured, when imported by manufacturers of cotton bags for use exclusively in their own factories.	Removal of war exchange tax, customs duty and special excise tax.
7021	13/8/42	1/8/42	Vegetable fibres other than cotton.	Removal of war exchange tax and special excise tax.
5015	15/6/42	1/5/42	Animal glue, powdered or sheet.	Removal of war exchange tax and customs duty on imports from British Preferential and Intermediate Tariff countries.
11791	31/12/42	1/1/43 to 30/6/43	Glue, powdered or sheet. ...	Extension of P.C. 5015 for a further six months.
5198	29/7/43	1/7/43 revoked 1/11/43	Glue, n.o.p. (ex Tariff Item 232).	Removal of war exchange tax and customs duty on imports from Intermediate Tariff countries and of customs duty on imports from British Preferential Tariff countries.
8088	19/10/43	1/11/43	Animal glue (Tariff Item 231c).	As above. The new order in council made adjustments to fit an alteration in tariff items.
4490	28/5/42	1/5/42	Tin in blocks, pigs or bars..	Removal of war exchange tax, customs duty and special excise tax.
6046	14/7/32	1/7/42	Cascara sagrada extract....	Removal of war exchange tax and customs duty on imports from Intermediate Tariff countries.
7020	13/8/42	11/8/42	Pine lumber, ponderosa and California sugar pine.	Removal of war exchange tax, customs duty and special excise tax.
9057	6/10/42	24/9/42 to 14/4/43	Beeswax.....	Removal of war exchange tax, customs duty and special excise tax.
2678	2/4/43	15/4/43	Beeswax.....	Removal of war exchange tax, customs duty and special excise tax restricted to imports of unrefined beeswax under new Tariff Item 15a.
9374	13/10/42	7/10/42	Crushed oyster shell.....	Removal of war exchange tax, customs duty and special excise tax.
1035	9/2/43	2/11/42	Watch actions and movements, finished or unfinished.	Removal of war exchange tax on imports from Intermediate and General Tariff countries.

H-2—DUTIES AND TAXES MODIFIED OR REMITTED—*Con.*

P.C. No.	Date Passed	Date Effective	Commodity	Effect
10799	8/12/42	1/12/42	Oranges.....	Removal of customs duty on imports from Intermediate Tariff Countries.
11139	8/12/42	to 31/12/42 1/12/42	Oranges.....	Removal of war exchange tax on imports from Intermediate or General Tariff countries.
6083	30/7/43	1/8/43 to 31/12/43	Oranges.....	Removal of customs duty of 35 cts. per cubic foot on imports from Intermediate or General Tariff countries.
8337	28/10/43	15/9/43	Oranges (Mexican).....	Removal of special excise tax.
11594	22/12/42	1/12/42	Second-hand rope for disintegration or conversion into usable cordage.	Removal of war exchange tax, customs duty and special excise tax.
2331	23/3/43	1/3/43	Cotton yarn for use in the manufacture of binder twine and twine for harvest binders.	Removal of war exchange tax on imports from Intermediate and General Tariff countries.
11140	8/12/42	7/12/42	Coffee (green).....	Elimination of the additional duty of 10 cts. per lb.
8885	18/11/43	1/11/43	Coffee extract, imitations and substitutes.	Removal of the additional duty of 10 cts. per lb.
11591	22/12/42	16/12/42	Bananas.....	Removal of war exchange tax, customs duty and special excise tax.
2324	23/3/43	1/3/43	Rice, uncleaned, unhulled or paddy.	Removal of war exchange tax and special excise tax.
2989	13/4/43	15/4/43	Rice, cleaned, except rice for the purpose of producing malt (Tariff Item 63a).	Removal of war exchange tax, customs duty and special excise tax.
1880	9/3/43	1/3/43 to 29/2/44	Imports under Tariff Items 540 (c) and 540 (d) (handkerchiefs, towels, etc.)	Removal of duties on imports from British Preferential Tariff countries.
3300	22/4/43	1/5/43	Ice.....	Removal of war exchange tax.
3757	6/5/43	1/5/43	Potatoes in their natural state.	Removal of war exchange tax.
4894 as amended by 7078	15/6/43	to 31/6/43 22/6/43	Potatoes, onions, green beans, cabbage, carrots, celery, lettuce, green peas, spinach, tomatoes, pineapples, etc., grapefruit and lemons.	Removal of war exchange tax and special excise tax.
9796	24/12/43	1/1/44 to 30/4/44	Onions in their natural state (not to include onions grown with tops, shallots, and onion sets).	Removal of customs duty on imports from Intermediate and General Tariff countries.
5551	13/7/43	1/7/43	Crude petroleum imported by refineries to be refined in their own factories (Tariff Item 267c) and products of petroleum, n.o.p., .934 specific gravity (20 A.P.I.) or heavier at 60°F. (ex Tariff Item 269), both when imported into B.C. ports in bulk by tank vessels.	Removal of war exchange tax.

## Appendix I

## ESTIMATED AND ACTUAL EXPENDITURES OF THE WARTIME PRICES AND TRADE BOARD

	Estimates Apr. 1, 1943 to Mar. 31, 1944	Expenditures Apr. 1, 1943 to Dec. 31, 1943
	\$ cts.	\$ cts.
Salaries and Living Allowances.....	8,665,000 00	6,374,464 20
Travelling Expenses.....	900,000 00	633,101 49
Printing and Stationery.....	1,495,000 00	957,355 45
Telephones and Telegrams.....	355,000 00	225,344 17
Advertising.....	1,005,000 00	504,676 86
Sundries (including local ration board and ration coupon banking costs)...	1,880,000 00	1,206,497 65
Total.....	\$14,300,000 00	\$9,901,439 82



# Appendix J INDEX NUMBERS OF THE COST OF LIVING IN TWO WARS

	TOTAL			FOOD		RENT		CLOTHING		FUEL AND LIGHTING		MISCELLANEOUS	
	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100
October.....	1914	1939	1914	1914	1939	1914	1939	1914	1939	1914	1939	1914	1939
	102.9	102.7	107.9	107.9	107.0	100.0	100.6	101.0	99.5	99.9	105.5	100.0	100.3
	1915	1940	1915	1915	1940	1915	1940	1915	1940	1915	1940	1915	1940
January.....	102.7	103.0	107.5	107.5	105.2	96.8*		104.0	103.2	99.5	106.6	100.0	101.3
April.....	101.9	103.8	104.4	104.4	105.5			106.9	107.7	99.3	107.0	100.0	101.8
July.....	102.0	104.8	104.2	104.2	106.0			108.9	109.0	98.1	109.0	100.0	102.3
October.....	103.1	106.2	104.5	104.5	106.8			113.8	113.4	98.4	109.1	101.0	103.5
	1916	1941	1916	1916	1941	1916	1941	1916	1941	1916	1941	1916	1941
January.....	106.1	107.4	110.6	110.6	110.5	97.9*		114.8	113.6	98.5	109.7	103.0	104.1
February.....	106.9	107.3	112.0	112.0	109.6			115.9	114.0	98.9	109.8	103.0	104.2
March.....	107.1	107.3	111.2	111.2	109.8			117.9	114.1	98.7	110.0	104.0	104.1
April.....	107.4	107.7	111.2	111.2	110.9			119.8	114.2	98.7	110.0	104.0	104.2
May.....	108.0	108.5	111.5	111.5	110.5			121.7	114.4	98.9	110.3	105.0	105.8
June.....	108.9	109.6	111.3	111.3	113.3			124.8	114.8	99.5	111.3	105.0	106.1
July.....	109.2	111.0	111.8	111.8	117.4			126.7	115.0	99.7	111.6	107.0	106.4
August.....	110.8	112.8	114.8	114.8	122.2			128.8	115.6	100.3	111.6	108.0	107.1
September.....	113.0	113.8	119.3	119.3	124.2			130.7	117.3	101.6	112.0	109.1	107.8
October.....	114.8	114.6	123.4	123.4	134.1			132.7	119.5	102.4	113.2	109.1	108.3
November.....	117.6	115.4	129.7	129.7	126.3			134.7	119.9	104.0	113.8	110.1	108.5
December.....	119.3	114.9	133.7	133.7	124.7			134.7	119.8	106.4	113.8	110.1	108.5
	1917	1942	1917	1917	1942	1917	1942	1917	1942	1917	1942	1917	1942
January.....	121.8	114.5	135.7	135.7	123.2	105.1*		136.7	119.8	109.7	114.0	110.1	108.6
February.....	122.9	114.8	138.6	138.6	124.0			137.6	119.7	109.9	114.0	110.1	108.9
March.....	124.9	115.0	141.5	141.5	124.6			139.6	119.7	111.2	114.0	112.1	108.9
April.....	125.8	115.0	142.3	142.3	124.6			141.6	119.7	108.8	114.0	114.1	108.9
May.....	130.9	115.2	155.9	155.9	125.2			143.6	119.8	109.7	114.0	114.1	108.9
June.....	132.1	115.8	156.6	156.6	127.1			145.5	119.8	111.2	113.7	115.9	108.8
July.....	131.6	117.0	153.3	153.3	131.2			147.6	119.9	112.0	113.6	117.1	108.8
August.....	132.1	116.8	153.7	153.7	130.5			148.5	120.0	113.1	113.6	118.0	108.8
September.....	132.8	116.5	154.2	154.2	129.4			150.5	120.0	113.4	113.6	119.0	108.8
October.....	134.4	116.9	156.6	156.6	130.7			152.5	120.0	114.0	113.9	120.0	108.8
November.....	136.5	117.7	161.2	161.2	133.3			154.5	120.0	114.3	113.9	121.0	108.8
December.....	137.5	117.9	163.2	163.2	133.7			156.4	120.1	115.1	113.9	121.0	108.9

## INDEX NUMBERS OF THE COST OF LIVING IN TWO WARS—Continued

	Total		Food		Rent		Clothing		Fuel and Lighting		Miscellaneous	
	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100
	1918	1943	1918	1943	1918	1943	1918	1943	1918	1943	1918	1943
January.....	138.9	116.2	165.1	128.2	105.1	107.2	158.4	120.1	118.3	113.9	122.0	109.1
February.....	140.1	116.0	166.5	127.6	106.1	107.2	161.4	120.0	118.4	113.8	123.0	109.1
March.....	141.5	116.3	168.2	128.6	106.1	107.2	163.4	120.0	119.6	113.8	124.0	109.1
April.....	142.1	116.7	166.7	129.6	108.2	107.4	165.3	120.1	119.5	113.8	126.0	109.2
May.....	144.0	117.2	168.5	130.8	110.3	107.4	167.4	120.1	119.6	113.8	128.0	109.4
June.....	145.9	117.6	170.4	131.8	112.3	107.4	169.3	120.3	120.2	114.1	130.0	109.6
July.....	147.7	117.9	173.5	132.7	113.3	107.4	171.3	120.4	122.0	114.5	131.0	109.6
August.....	151.4	118.3	179.9	134.1	115.4	107.4	175.3	120.5	125.4	114.5	132.0	109.6
September.....	151.1	118.5	178.2	134.4	113.3	107.4	177.2	120.5	127.2	114.5	133.0	109.8
October.....	152.9	118.4	181.0	133.8	114.4	107.8	179.3	121.0	129.4	114.4	134.1	109.8
November.....	153.8	118.5	181.0	134.0	114.4	107.8	181.2	121.0	131.1	114.4	136.1	109.8
December.....	155.0	118.4	182.1	133.6	114.4	107.8	183.1	121.0	133.4	113.0	137.1	110.2
1919	1919	1944	1919	1944	1919	1944	1919	1944	1919	1944	1919	1944
January.....	156.5		184.7		114.4		185.2		135.1		138.1	
February.....	155.3		180.0		114.4		187.2		133.1		139.1	
March.....	154.2		174.9		115.4		189.1		131.8		140.1	
April.....	156.1		178.9		115.4		191.1		131.5		141.1	
May.....	158.3		181.7		119.6		193.1		131.0		143.1	
June.....	160.1		183.6		122.6		195.1		131.8		143.0	
July.....	161.1		184.0		123.6		198.1		131.6		144.1	
August.....	165.1		192.9		124.7		200.0		135.9		145.0	
September.....	165.3		190.9		125.7		202.0		136.4		146.0	
October.....	165.6		189.9		125.7		204.0		136.8		148.0	
November.....	166.3		189.7		125.7		206.0		138.9		149.0	
December.....	168.3		193.8		125.7		207.9		139.4		150.0	
1920	1920		1920		1920		1920		1920		1920	
January.....	174.0		203.1		125.7		217.9		142.5		153.0	
February.....	183.6		212.4		134.0		247.6		149.3		155.0	
March.....	191.6		224.7		142.2		248.6		160.5		160.1	
April.....	187.5		212.0		145.2		239.6		177.8		160.1	
1921	1921		1921		1921		1921		1921		1921	
January.....	180.3		194.2		146.3		229.8		182.5		160.1	
February.....	168.7		171.1		149.4		204.0		172.6		160.1	
March.....	159.7		149.2		153.5		190.1		168.1		160.1	
April.....	159.8		154.2		154.5		176.2		168.5		160.1	

\* Annual Average.  
Source—Dominion Bureau of Statistics.



## Appendix K

## INDEX NUMBERS OF WHOLESALE PRICES IN TWO WARS

	ALL COMMODITIES		FULLY OR CHIEFLY MANUFACTURED GOODS		CANADIAN FARM PRODUCTS	
	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100	War I July '14 =100	War II Aug. '39 =100
	1914	1939	1914	1939	1914	1939
October.....	103.7	110.1	107.9	109.4	106.9	111.0
	1915	1940	1915	1940	1915	1940
January.....	107.9	114.2	109.6	112.3	121.6	119.9
April.....	111.5	114.9	114.5	112.3	123.0	123.5
July.....	109.2	114.2	111.5	111.2	112.2	110.3
October.....	107.0	115.2	108.7	112.7	106.3	110.6
	1916	1941	1916	1941	1916	1941
January.....	121.7	117.3	122.6	114.9	123.8	115.1
February.....	122.8	118.1	123.8	115.4	122.1	117.0
March.....	122.2	118.9	125.6	116.1	117.2	118.3
April.....	124.5	120.1	127.3	117.8	118.6	119.0
May.....	126.2	122.8	129.7	120.1	118.2	119.2
June.....	126.2	124.6	129.0	122.5	116.7	121.6
July.....	126.4	126.1	128.7	124.5	121.3	122.8
August.....	130.9	127.2	132.5	125.3	131.4	123.5
September.....	134.2	129.0	137.2	127.4	137.2	125.5
October.....	140.4	129.9	142.9	128.2	148.1	126.9
November.....	148.8	130.0	149.8	128.2	164.7	126.9
December.....	148.8	129.5	151.1	127.0	160.9	127.7
	1917	1942	1917	1942	1917	1942
January.....	156.8	130.2	158.8	126.4	167.6	135.6
February.....	159.8	130.8	160.7	126.7	166.9	137.7
March.....	164.1	131.4	165.1	126.9	169.9	138.4
April.....	171.9	131.4	170.8	126.6	186.2	139.4
May.....	185.2	131.7	184.7	126.2	213.5	137.3
June.....	184.3	132.5	183.9	126.0	202.6	139.6
July.....	184.2	132.9	182.5	126.6	200.3	138.9
August.....	185.9	132.1	186.9	126.4	199.1	139.2
September.....	180.9	132.5	186.6	126.7	184.2	144.3
October.....	182.1	133.6	188.8	127.0	184.9	146.7
November.....	185.2	134.2	190.1	127.4	190.6	148.1
December.....	186.8	134.2	191.5	127.7	193.4	149.1
	1918	1943	1918	1943	1918	1943
January.....	190.5	134.3	192.3	127.5	197.7	150.2
February.....	190.8	134.9	192.9	127.7	198.8	151.7
March.....	193.2	136.2	197.3	128.5	192.5	156.3
April.....	193.8	136.8	199.2	127.8	188.6	158.0
May.....	193.5	137.2	197.9	127.8	187.8	158.9
June.....	194.9	137.8	198.1	127.8	187.1	161.6
July.....	198.3	138.5	199.7	127.8	191.1	165.1
August.....	201.6	138.9	204.9	128.1	193.1	167.0
September.....	203.7	140.0	207.1	129.1	195.9	167.6
October.....	205.7	140.9	209.1	129.1	195.3	177.4
November.....	206.2	141.6	208.7	129.2	202.1	178.4
December.....	204.3	141.8	208.7	129.2	201.3	179.1
	1919	1944	1919	1944	1919	1944
January.....	204.8	.....	209.5	.....	202.5	.....
February.....	199.5	.....	205.7	.....	196.5	.....
March.....	199.1	.....	204.9	.....	196.0	.....
April.....	196.9	.....	201.1	.....	203.5	.....
May.....	200.2	.....	201.7	.....	208.2	.....
June.....	200.5	.....	203.6	.....	210.0	.....
July.....	201.6	.....	206.8	.....	206.0	.....
August.....	205.7	.....	209.9	.....	216.3	.....
September.....	212.4	.....	214.5	.....	227.0	.....
October.....	212.7	.....	213.2	.....	228.0	.....
November.....	216.1	.....	213.7	.....	234.3	.....
December.....	222.0	.....	216.9	.....	239.4	.....

INDEX NUMBERS OF WHOLESALE PRICES IN TWO WARS—*Continued.*

	ALL COMMODITIES		FULLY OR CHIEFLY MANUFACTURED GOODS		CANADIAN FARM PRODUCTS	
	War I July 1914 =100	War II Aug. 1939 =100	War I July 1914 =100	War II Aug. 1939 =100	War I July 1914 =100	War II Aug. 1939 =100
	1920		1920		1920	
January.....	232.0		231.5		246.5	
April.....	249.5		247.3		250.7	
July.....	254.8		266.6		247.5	
October.....	234.9		252.7		215.7	
	1921		1921		1921	
January.....	199.3		209.5		194.0	
April.....	178.4		196.1		154.0	
July.....	162.7		178.7		146.0	
October.....	154.7		165.8		133.1	

Source—Dominion Bureau of Statistics.



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 Gov. Doc. Canada. Wartime Prices and Trade Board  
 Can Report.  
 W [2nd] (April-Dec. 1943)

DATE.	NAME OF BORROWER.
Mar. 13/44	Bird. Def. (b.b.)
Sept. 10/46	W. man
Dec. 10/47	Mrs. S. G. G. G. G.
8 April/49	E. S. G. G. G.
June 26/50	<del>A. S. G. G. G.</del>

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